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ABSTRACT

This report identifies the need of counselors of various persuasions to be trained not only in psychodynamics and interpersonal relations, but also for understanding the milieu in which the dynamics operate. In a complex technological society those professionals working with families need both these skills in interpersonal facilitation and resource management. To that end, this workshop report presents materials for process learning of individualized styles of working with people on money-related problems. The first part of the manual presents information on such topics as the family as a system, human information proceed, counseling approaches, resource awareness, and various aspects of family money management. The second part describes process learning through case studies, role-playing, demonstrations, and models. (SJL)

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Family Money Management Counseling

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- a Systems Approach -

CG 010 398

FAMILY MONEY MANAGEMENT COUNSELING
a Systems Approach

Charlotte V. Churaman
Martha L. Garrison

From the Proceedings of a Workshop
Department of Family and Community Development
College of Human Ecology
University of Maryland, College Park, Md. 20742
June 2-13 and July 7-11, 1975

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INTRODUCTION

MATCHMAKER

While I can take only the barest credit for the workshop and this volume from which it is derived, it nonetheless affords me one of the greatest personal and professional satisfactions. I became a Home Economist (a title which I bear proudly) late in my career. My former professional identity was as a clinical child and family psychologist. As a practicing clinician working with families, as well as a husband and father of four young children, it seemed to me that much of the family therapy work being done virtually ignored the practical problems of families in distress. Counselors and psychotherapists of various persuasions are often superbly trained in psychodynamics and interpersonal relations, their training for understanding the milieu in which dynamics operated is invariably all but nonexistent.

Too often have I watched a family under stress in bewildered confusion over having an interpretation of their communication difficulties, while some of their more basic needs for food, clothing and shelter were unmet either through totally inadequate resources and/or poor management of those resources. On the other hand, it must be pointed out that the reverse situation is not uncommon: where members of relatively affluent families suffer dispair and frustration through their inabilities to deal with each other effectively. To me it seemed obvious that those professionals working with families needed <u>both</u> skills in resource management and interpersonal facilitation. Tragically no such program existed.

It was towards this end that the Department of Family and Community Development of the University of Maryland was conceptualized. The Family Studies aspect of our program rarely related to the Management and Consumer Focus, except through the delightfully rare student who was interested in both. While the faculty members in both subject areas saw the need for the articulation of these two fields of knowledge, the standard materials (e.g., texts and coursework) did not afford a ready bridge. We tackled the theoretical and practical problems such as integration of all aspects of human ecology through a graduate seminar called "Integrative Aspects of Human Ecology".

It was during a semester when I had leadership responsibility for that seminar that I met Ed Graham of the Life Insurance Institute at a meeting of the Family Center

of the American Home Economics Association. Our meeting seemed almost accidental, but in retrospect I sometimes wonder. At any rate, be it an act of God, a whim of fate, or just plain good fortune we began talking about our mutual concerns for the family in a complex technological society. El seemed interested in our program and I put Charlotte Churaman (the driving force of our management program) in touch with him. The result of those meetings is represented in the program that was generated and which is preserved in the following pages. For this our department in particular, and our field in general is deeply indebted to Dr. Graham and the Life Insurance Institute. AS an individual I am grateful for seeing a dream materialize.

Let me hasten to add, however, that in no way should this material be viewed as an endpoint, but rather as the embarkation of a marriage between two fields of study which deserve to be united. As my role is matchmaker, my hope is that it be a long and fruitful union and that I may be around to celebrate many happy anniversaries!

Ned L. Gaylin, Professor and Chairman
Family and Community Development Department
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College Park, Maryland

INTRODUCTION: The Workshop and how it is reported

Unique features of a workshop are:

an intensive learning experience, large blocks of time

high emphasis on making resources available for problem solving

concern with looking at a new problem, or at looking at an old problem in a new way

concern with maximum participation of students

This workshop is part of an ongoing project. Creative Systems in Money Management, which has included:

a task force within a general home management workshop (directed by Charlotte Churaman) during the summer of 1974

a course, Helping Families with Money Management Problems taught by Martha Garrison, Fall, 1974

a course for couples, Home Management for Beginning Families, taught by Charlotte Churaman, Spring 1975

a graduate assistantship in helping to develop this new aspect of the program in Family and Community Development in the College of Human Ecology, held by Mary Stephenson

two one day Mini-workshops for area leaders in the field of financial counseling, one held Jan. 24, 1975 to make suggestions for program development, and another during the summer 1975 workshop (reported in this book)

Within the general definition of a workshop, and within the purposes established for this particular workshop, emphasis was placed on process learning to help students discover and develop individualized styles of working with people on money related problems, rather than to follow a prescribed set of procedures for counseling.

Financial Counseling has not received attention comparable to that given to family counseling and some other areas of counseling, either in the area of theory building or in development of training methodologies. Trends might be noted, however. Several Family Economics and Home Management leaders are conducting workshops this summer designed to train financial counselors. The Annual meeting of the FEHM Section of AHEA, meeting in San Antonio, Texas, included several agenda items related to financial counseling service. The National Foundation for Consumer Credit will introduce a national certification program later this year. Previous to this, there has been no standard for this type of work. It is not known at this time what influence this certification might have on the development of college curricula; but it should provide a natural supplement and a motivation for students desiring to develop this special interest.

The workshop did not duplicate material covered in Personal and Family Finance courses, and the assumption was made that if participants wanted basic information on money management they might consult regular textbooks. One money management text which is based on case studies and which has very convenient procedures one might use in working with families was used as a resource book.

Other selected texts were a general systems resource book with terminology bridging all areas of social science and a new home management text using the systems approach.

The responsibilities of Instructors and of Students for Preparation, Presentation, Problem-Solving, and Products may be shown schematically.

Instructor Responsibilities and Experience	Shared Experiences	Student Responsibilities and Experience
PREPARATION	PRESENTATION	PREPARATION
PROBLEM SOLVING	PROBLEM SOLVING through system analysis and design for manageable systems	PROBLEM SOLVING
New PERCEPTIONS		New PERCEPTIONS
PRODUCTS Report of Workshop Tools and Methods for further use	PRODUCTS with Evaluation/Critique	PRODUCTS Annotated bibliographies Task force reports Models for Financial Counseling

In reporting the workshop a designation is made in the upper left hand corner of a page indicating whether the material was:

PREPARATION (used as a guide for investigation or study)
PRESENTATION (a talk or discussion with the entire group)
PRODUCT (output of the workshop, either individual or group)

The format of the report of different presentations varies with the nature of the presentation and with the availability of the resource material from other sources. When material is readily available in textbooks it is presented in outline form with references and no attempt made to report it fully.

Responsive feedback was encouraged throughout. Since this feedback process was very important to the learning experience and to understanding and critical evaluation of PRODUCTS of the workshop, most of the task force reports have been included in only slightly edited form followed by CRITIQUE. In this sense they are "in process of development".

Texts for the workshop were:

Deacon, Ruth and Francille M. Firebaugh. Home Management: Context and Concepts. Boston, Houghton-Mifflin, 1975.

Bailard, Thomas E., David L. Biehl, and Ronald W. Kaiser. Personal Money Management. Chicago, Science Research Assoc. Inc., 1973.

Kuhn, Alfred. The Logic of Social Systems. San Francisco, Jossey-Bass, 1974.

HANDOUT

FINANCIAL COUNSELING COMPETENCIES TO BE DEVELOPED BY THE STUDENT

1. To establish a working relationship of trust and cooperation.

2. To recognize or clarify the mission of the particular agency or program within which the helping is being done, and one's own commitment to it.

3. To understand the constraints and variables of major types of financial decisions (problems) which families and individuals face.

4. To develop a philosophy and some systematic ways of dealing with the values and priorities of family members, and to use this basis for recognizing what is fixed and what is flexible (still a matter of choice).

5. To be aware of inter-relationship of resources and demands of all members of a household and the possible interdependence of finances of the household under consideration and other households.

6. To use the information in 3, 4, 5 above in specific cases for identifying relevant information which must be elicited from the family and from other sources in order to deal with the concrete problem.

7. To recognize educative opportunities within the helping relationship which take into consideration the information processing style and efficiency of the person(s) being helped.

8. To understand, and be able to employ a variety of analytical and diagnostic methods through which to put a problem into perspective. (The extent to which the diagnosis is made immediately explicit to the person(s) being helped will vary).

9. To know and develop methods of access to community resources.

PRESENTATION (Outline with notes on visuals and activities)

Family as a System

Charlotte V. Churaman

The family may be viewed as a system

A boundary separates a system from its environment
(begins to develop a systems model with pegboard as background and with golf tees to support yarn boundary)

One may describe important on-going processes occurring within a human system (individual or family). The following processes were suggested as being applicable in human systems:[1]

Valuing and appreciating
Choosing or deciding
Information processing - communicating
Designing and specifying (Preferred standards and spatial relationships bringing individuality and technology into play)
Maintaining (valued states and conditions)
Producing/actualizing (personalities, goods, services, conditions)
Estimating or allocating (handling valued things and conditions quantitatively)
Consuming (a necessary process in both maintaining and in producing).
(uses golf tees to place paper labels with each of the processes within the boundary).

Processes may be carried out at different levels of consciousness or deliberateness. An awareness of "self as process" and of "family process" are important in developing a dynamic view. The purpose of listing processes at this point was to get an overview of their complexity, not to attempt any theory building.

System boundries may be distinguished as open or closed. Most systems have permeable boundries.

We might look at the family as a system:
(1) to see what's going on (systems analysis)
(2) to make some aspect of it more manageable (systems design)

(removes the process labels from the model)

In order to make a system more manageable, and in order to be able to communicate about what we are doing, we find it helpful to view it as an input-output system.

(revises the boundary, by making openings for input and output)

Processes have been noted earlier.

Content is that which is being processed. It could be represented as a flow going through the system.

---

[1] Presented at Workshop: Money Management in Counseling Situations, June 2-13 and July 7-11, 1975, College of Human Ecology, University of Maryland, College Park, Maryland

(uses colored yarn with labels at one end to show how each could be considered content of management)

General System theory really deals with the attempt to make some generalizations about all kinds of systems; physical, biological, organizational. In general terms, the content would be mass/energy or mass/energy/information. For purposes of money management we can translate these into:

Information (yellow yarn)
Money (green yarn)
Materials (blue yarn)
Energy (red yarn)

The system model at this point with the different types of content going in as "input", being transformed, and emerging as "output" is merely descriptive. It gives no insight as to what is going on. It is somewhat like the "black box" in psychology.

The family system may be examined more meaningfully by looking at two sub-systems: managerial and personal.[2]

(Reference was made to pages 12 and 50 of Deacon and Firebaugh, and students discussed the models)

VISUAL
(See Deacon and Firebaugh p.12)

The managerial sub-system has two major parts: Planning and Implementing. We can identify the sub-processes making up each of these.
(Uses pegboard to illustrate this)

VISUAL
(See Deacon and Firebaugh p.53)

The managerial system (or sub-system) can actually become a conceptual framework, a sort of cognitive map for viewing the elements of management and how they are inter-related. One can develop a worksheet to use in applying it to specific management situations, or to the whole of a family's management.

WORKSHEET
(See next page)

In dealing with family money management problems it is helpful to identify ways in which personal and managerial sub-systems of family behavior are inter-related, how the input of one becomes the output of the other, even though at a particular time one may be focusing on one sub-system.

We separate them as a matter of convenience. The difficulty which may arise from separating them, however, is that we may forget that output of money management is not just materials and accountable assets; it is information for new decision making, changed attitudes, feeling, too.

It will be noted that conscious or deliberate use of the managerial system is essentially a design for action and change. If it is to have any value, it goes beyond the descriptive state.

Financial management was discussed by commenting on Chapter 10 of Firebaugh and Deacon textbook, an assigned reading.

One can define subprocesses of managing money and show how the familiar tools are used in each. For example:

Planning - allocation of total resources for a specific time period is one kind of planning.

Designing a System for Managing Resources*

HANDOUT

System of Interest:

Assumed or stated purpose(s) of system

Time Frame:

INPUTS

Demands — From Outside — From Inside Family System

Requirements

Expectations

Events

Resources (for this purpose)

THROUGHPUTS OF MANAGEMENT PROCESS

I. Planning Leads to a Plan for Action
   Standards of quantity and quality
   Sequencing in time and space (Where?When?)
   Facilitation (Who? How motivated?)

II. Implementing
   a. Controlling Leads to Identification and use of controls in action
      Adjusting
      Checking
   b. Facilitating

OUTPUTS
Demands Met (What? How well met?)
Resources Used, Transformed, Developed

FEEDBACK
Satisfaction
Resource Status-Assets
Effects on Person(s)

NOTE: A system may be designed to represent a flow of any of the following:
- energy
- information
- money (value)
- material

(Class members constructed pie graphs for the budgets at 3 levels of living published by the Bureau of Labor Statistics in order to get the experience of working with relative sizes of allocations and types of adjustments that could be made in each case) 3.

ACTIVITY
VISUAL - see reference 3.

Controlling - setting up the dates, amounts due, and a way to check when payments are made is one kind of controlling.

VISUAL
see Deacon and Firebaugh pages 274-275

Evaluating - making a net worth statement on an annual basis can provide one method of evaluating progress

VISUAL - Deacon and Firebaugh see page 289

Families might apply principles of management to their handling of money with different purposes in mind.

HANDOUT
(see next page)

The time of benefit will vary for different purposes. Some money management seeks to make current or short run goals possible. Other time periods are: future, part, continuing.

Two types of transactions were noted: exchange and grant or transfer (see later presentation dealing with this topic).

The family system carries out transactions: among members, among different uses of money by the family, between family and an external system such as a store, bank, etc.

By looking at the family's money management as a system, it is possible to develop a tentative typology of financial counseling:

1. Bad output (debt counseling)
2. Crisis as input (Crisis intervention, possibly advocacy and search for resources)
3. Emphasis on planning and controlling (accounting type)
4. Emphasis on information input (consumer education)
5. Focus on managerial sub-system (money management)
6. Taking a dynamic view of managerial/personal sub-systems in total context of family in its environment (Family systems approach)

The Creative Systems in Money Management Project, of which the workshop is a part, is an attempt to implement the family system approach in helping families manage their money.

References

1. Churaman, Charlotte V. Human Ecology: An Action Framework for the Processes and Content of Individual and Family Studies (in press)

2. Deacon, Ruth and Francille M. Firebaugh. Home Management: Content and Concepts. Boston, Houghton-Mifflin, Co., 1975.

3. Brackett, Jean. Urban Family Budgets Updated to Autumn 1972 Monthly Labor Review 96:70 (Aug. 1973) reproduced page 270 of Deacon and Firebaugh text.

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HANDOUT

Some Purposes of Money Management Systems

1. Allocation of overall supply
2. Production
   - goods and services for consumption
   - income
   - human resources
3. Caring for and maintaining: protecting
   - goods and services
   - income
   - human resources
4. Repaying
5. Saving and investing
6. Acquiring (consumership)
7. Estimating: placing a value upon
8. Providing information for management

Time-of-benefit

1. Current (in the short run)
2. Future
3. Past
4. Continuing

Types of transactions as viewed in the current situation

1. Exchange (equal)
2. Grant or transfer (may be unequal)

Family system transactions may occur:

1. Between family members/among family members
2. Between/among different uses of money by family
3. Between family and an external system (store, bank, etc.)

PRESENTATION (notes from a two-day multi-media presentation)

General Systems and Human Information Processing

Thomas E. Harries

The Basic concepts and objectives for the two days were outlined on a worksheet WORKSHEET

System - A collection of separate but interdependent components working together to achieve a common purpose.

Usefulness of systems science:

overcomes compartmentalization of knowledge
provides a basis for understanding matter/energy transfers (includes information, meaning, money)
provides a basis for comprehending what is going on between the organism and its environment
provides a general framework applicable at many levels (one person, family, organization, etc.)
provides a tool for thinking in terms of:
process
relativity
all at once-ness
helps one to see one's self as the active agent
helps one to generate questions relative to a task
forces one to clarify assumptions
serves as a framework for analysis whether or not it is presented in a visible way

The locus of meaning is in the receiver.

Information in a technical sense represents pattern or structure that may or may not be meaningful to the receiver.

Communication is information + shared experience. Information in a communications sense reduces uncertainty on part of the receiver.

Information processing may be represented as an interaction between organism and environment in which the structural information in the organism acts as a filter for structure perceived in the environment. TRANSPARENCY (see Foerster) page 172

Presented at Workshop: Money Management in Counseling Situations, June 2-13 and July 7-11, 1975, College of Human Ecology, University of Maryland, College Park, Maryland

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Information processing styles differ in several ways:

1. Concreteness/abstractness

The concrete thinker has rigid rules for processing data. He is likely to experience these limitations:

things are viewed in absolute terms: good or bad.
need for closure and certainty
judgments made with little consideration of alternatives
non-differentiation
inability to see other options

The more abstract thinker can deal with more complexity as indicated by:

basing action on more sources of information
generating a greater amount of discrepant information
developing more strategies
differentiation of output

Schroder has illustrated the difference in levels of integration, showing that the abstract thinker uses more rules for combining separate bits of data. TRANSPARENCY (see Schroder page 8)

2. Locus of Control: internal/external

The externally controlled individual perceives his world as operating largely by chance, or under the direction of some more powerful force than himself.

In financial counseling, one might seek to find out whether the client perceives the reason for his being in recurring debt as being within himself, or outside himself.

Management training is a deliberate effort to expand internal control.

3. Locus of Motivation: intrinsic/extrinsic

This dimension measures the extent to which the individual is guided by his own feelings and preferences or by those of others.

Kuhn distinguishes between theory and reality as being differences in quality of information and in validity of information.

Truth is discovered
In today's world we invent.
This leads to a new definition of the situation, and a new basis for interaction.

If people are "open"
If they can explain their criteria then actions can be chosen and either defended or discarded.

Matter/energy transfer defines a living system.

Each system, to function, has to have options of both negative and positive feedback. (allowing for both stability and change).

The "Law of requisite variety" has been stated: "It takes variety to cope with variety".
The family is an information transducer in the sense that family members translate complexity into simplicity as they socialize the child. Older members of a family are depositories of and shapers of information. The family's ability to cope with complex stimuli of today depends partially on the variety of their experiences, openness to new information, and ability to process information.

Efficiency of information processing can be understood in terms of identifying the "degrees of freedom" in relation to the "constraints in the environment" on a grid using these two variables. TRANSPARENCY

As we make decisions we rule out options.
As we define situations in terms of absolute, simple rules we rule out options.
To comprehend the variety in the environment, it is necessary to have enough degrees of freedom built into one's thinking process to match the variety in the environment.

Information search in decision making might be compared to trying to fill in a grid to reduce uncertainty. A decision matrix is a grid indicating how the individual conceptualizes the need for specific bits of information to help solve his problem.

Kuhn suggests that the behavior system may be viewed as consisting of three subsystems: detector, selector, effector. The organism detects stimuli in the environment; it can have an effect on the environment.

This can be related to decision making as follows: TRANSPARENCY
(see Kuhn p.47)

Subsystem	
Detector	Information
	DECISION
Selector	Wanting
	EFFECTUATION
Effector	Doing

Each of the three subsystems, in turn, consists of detector, selector and effector functions. TRANSPARENCY
(see Kuhn p.48)

It might be noted that in systems thinking "values" are accounted for as direction and intensity of behavior. The individual experiences this in "wanting", but he provides concrete evidence of it in "doing".

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Dr. Harries summarized the role of a financial counselor.
"A crucial determinant of success is your ability as a participant in the system, not to be completely detached but to use your ability as a processor of information to look at the organism in the environment in which you are both embedded and say 'What is the nature of the essential transaction that can increase the efficiency of this system?' "

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Schroder, Harold, M., Driver, M.J., and Streufert, P., Human Information Processing. New York, Holt, Rinehart and Winston, 1967.

also the general works of Abraham Maslow and Rollo May

CREATIVE SYSTEMS AND MONEY MANAGEMENT

BASIC CONCEPTS

1. ABSOLUTS VS. RELATIVE (Newton vs. Einstein)

2. *COMMUNICATION
   - Matter-energy
   - Information (technical sense or data)
   - Communication
   - Information (communication sense)
   - Referent
   - Symbol
   - Meaning
     - denotative
     - connotative
   - Image
   - Code
   - Language

3. SYSTEMS CONCEPT
   - *System
   - Subsystem
   - Suprasystem
   - Boundry
   - *Interface
   - *Open
   - *Closed
   - *Feedback
     - positive
     - negative
   - Cybernetic loop
   - Steady state
   - *Degrees of freedom
   - *Power
   - *Homeostasis
   - *Equifinality
   - *Multifinality
   - Ecosystem
   - Levels
   - Hierarchies

4. *PROBLEM - SYMPTOM
   - System of interest
   - Congruence - Incongruence

*Most important concepts.

Presented at Workshop: Money Management in Counseling Situations, June 2-13 and July 7-11, 1975, College of Human Ecology, University of Maryland, College Park, Maryland

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5. HUMAN INFORMATION PROCESSING
   - *Concrete
   - *Abstract
   - Intrinsic motivation
   - Extrinsic motivation
   - Internal control
   - External control

6. BASIC NEEDS AND RELATED CONCEPTS
   - *Security
   - *Identity
   - *Stimulation
   - "The Stranger"
   - Scapegoating

7. TERRITORIAL IMPERATIVE
   - Territory
   - Alpha
   - Beta
   - Omega

8. *OBEDIENCE TO AUTHORITY
   - Agent
   - Subject
   - Psychological distance
   - "Neurenberg Syndrom"

STATEMENT OF OBJECTIVE FOR DAYS 2 AND 3 OF WORKSHOP

OBJECTIVE

AUDIENCE: Each participant in a mixed group of professionals, graduate students and undergraduates who is concerned with the study of family money management behavior and who desires to positively influence these family management skills;

BEHAVIOR: will develop an analytical program for evaluation of family case histories in order to illuminate the key communication and systems variables in the families' money management transactions;

CONDITION: by the conclusion of the second day (June 4th) of the workshop using the following resources:

1. Attached list of concepts and associated terminology;
2. Notes from participation in presentations, discussions, and exercises from assigned or available readings;
3. Contributions and observations of staff and peers;

DEGREE: such that at least 50% of the 8 concepts are included in your finalized program outline.

prepared by:
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PRESENTATION (notes from talk)

THE EMPATHIC RELATIONSHIP

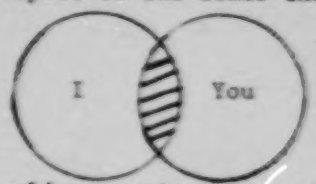
Ned L. Gaylin

Class members were asked to think of their personal definitions of empathy and to contribute to a list of words relating to it. ACTIVITY

understanding	being you (other)
congruence	reflective feeling
rapport	sensitivity

Purpose of the exercise was to distinguish between various similar concepts such as projection, identification, sympathy, and the uniqueness of the conceptualization of the empathic stance as it relates to the counseling milieu.

Empathy may be conceptualized as the area of overlap represented when two circles "I" and "You" share common feelings, but each retains an area of separateness. The basis of empathy is self esteem, which enables esteem and respect of the other individual.



Empathic Understanding

Each counselor should recognize his or her limitations. Not every individual can work with every other. The counselor who senses "we can't work together" does both his client and himself a service to refer the client to a counselor who can work with the client. The counselor must be able to recognize that it may indeed be his problems which interfere with his ability to work with a given client and not the client's problem. Otherwise this leads to exacerbation of low self esteem on the part of the client, which is counterproductive and destructive.

Rice[1] has recently suggested that the process of client-centered counseling go beyond the earlier "necessary and sufficient conditions" suggested by Carl Rogers. She conceptualizes counseling as playing an "evocative function" based on the insight into the schema and ways of thinking of the client (i.e., empathic understanding). The counselor, through his or her understanding of the client's feelings, enhances the client's understanding of those feelings through reflection (i.e., "feedback") thereby evoking further exploration of feelings and eventually understanding.

The caring person may fall into the trap of offering the client reassurance. This too is counterproductive. It often communicates to the client that indeed, his internal "ugliness" is too devastating for even the counselor to tolerate. Indeed, many counselors fall back on reassurance (as many parents and friends do) because they cannot tolerate the pain the client is expressing.

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The counselor is a tool. Therefore, knowing what makes one effective in the counseling situation is important. Then those skills should be sharpened and honed. For each counselor, these skills will vary.

It is important for the counselor to be "transparent", that is totally honest, in the counseling situation. He or she must avoid the potential "double binding" situation in which the "meta-communication" (that which is communicated nonverbally through gesture, voice-quality, etc.) denies or contradicts the verbal communication. When both verbal and non verbal communication are consistent, this is referred to as congruence.

Counselors may learn to identify when a client is struggling with feelings that could facilitate the growth process. Research has indicated that it can be identified in tape recorded counseling sessions. The voice quality has what is termed a "focused" quality. It is often hesitant, varied in pitch and tone, and has been metaphorically referred to as sounding like the person's "eyeballs are turned inward". This quality is in contrast to three other identified voice patterns which are indicative of less growth process. These are: "externalizing" (a regular cadence, used in most conversations), "limited" (characterized by low energy and flat even cadence), and "emotional" (characteristic of overload states, crying, laughing, etc.).[2]

Role playing and videotaping are valuable methods to employ in counselor education and training. These methods can help counselors sharpen their listening, empathy, and communication skills. Empathy is involved in two ways: in assuming the basic role, i.e., being able to put oneself in the other person's place realistically, and in identifying the specific characteristics attributed to the helping relationship.

In doing role playing it is as valuable, perhaps moreso, to have the beginning counselor experience the client role (so that he can sense what works from the receiver's end) as it is to have him or her take the counselor role. Often a skilled counselor playing client to a training counselor can help the beginning counselor identify where and when facilitation of the growth process is, and is <u>not</u> taking place.

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[1]Rice, Laura N. <u>The Evocative Function of the Therapist</u>, Chapter 10 in Wexler, David and Laura North Rice INNOVATIONS IN CLIENT-CENTERED THERAPY. New York, John Wiley and Sons, 1974.

[2]Rice, Laura, N. and Gaylin, N. L., <u>Personality Process Reflected in Client Vocal Style and Rorschach Performance</u>.

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PRESENTATION (notes from talk)

Counseling Approaches

Mary Stephenson

The speaker drew upon coursework independent study, experience in a practicum with a Family Counseling agency in Prince George's County and in working with two new pilot courses: Helping Families with Money Management Problems, taught by Mrs. Martha Garrison and Home Management for Beginning Families taught by Dr. Charlotte Churaman. Her talk represented a sharing of some of the insight and resources she had developed through her graduate work directed particularly toward financial counseling.

Three general counseling approaches were briefly described and compared:

Carl Rogers - Client-centered
Albert Ellis - Rational emotive
Edmund G. Williamson - Vocational

The speaker presented a summary of the Interviewing guidelines. In this material the contrasting philosophies of Rogers and Ellis are discussed and the use of concepts from each is illustrated.

HANDOUTS

The speaker, in comparing financial counseling to other family counseling had recognized a much greater need to deal with information and with concrete plans; hence, the work in Vocational counseling had been found useful. It was presented in summary form.

Some of the special tasks of financial counseling were noted:

concern with accuracy and completeness of information
family income
family expenses and outstanding debts
financial history
clarification of family values and the use of these values in setting goals
assigning duties for recordkeeping, bill paying, etc.
comparison with information from Consumer Price Index
sensitivity to "conservative area" of clients
continual motivation
handling of creditors
referral to appropriate agencies
incorporating 4 1/3 weeks into monthly budget
leaving a "cushion" so the plans aren't too restrictive
arranging for an annual audit

Presented at Workshop: Money Management in Counseling Situations, June 2-13 and July 7-11, 1975, College of Human Ecology, University of Maryland, College Park, Maryland

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Keith Lucas, Alan. Giving and Taking Help, Chapel Hill, University of North Carolina Press, 1972.

Patterson, C.H., Theories of Counseling and Psychotherapy, New York, Harper and Row, 1973.

Chapter 2. Williamson and the Minnesota Point of View.

Chapter 3. Rational-Emotive Psychotherapy of Albert Ellis.

Chapter 16. Client Centered Therapy, Carl Rogers

Myricks, Noel. Interviewing (mimeo from the author reproduced for the handout which follows).

Interviewing

Dr. Noel Myricks*

The elements of an interview are three fold. It has a beginning, a middle and an end.

The beginning phase is characterized by initial contacts with the person or persons to be interviewed and the attempt to establish a meaningful relationship.

The middle phase of the interview focuses on its purpose. This is done in a patient, but systematic and progressive manner.

The end of the interview may be predetermined by a specified period of time, or when the purpose of the interview has been met.

It is important that consideration is given to the environment. It must be conductive to communication, and the possibility of interruptions must be minimized.

It is the author's opinion that the primary aim of clinically-oriented interview ought to be to help the interviewee clarify and understand his feelings and take constructive steps to help himself.

Client-Centered Principles of Interviewing

1. The Interviewee Should Be Given An Opportunity to Take the Initiative

The importance of this principle lies in the fact that the interviewee is given the opportunity to state why it is important to see you.

2. The Interviewer Should Use Minimal Verbal activity

This principle is closely allied to the preceding one in that again it is emphasized that sufficient time must be given to the interviewee to express himself. Many interviewers err in talking too much. The essence of good interviewing is being a good listener. The interviewer's bias' are minimized, and less harm is likely to occur if attention is devoted to this principle.

3. Encourage Spontaneity on the Part of the Interviewee

Interviewing is often referred to as an art rather than a science. One reason is that its success often depends on the sensitivity and intuition of the interviewer. The interviewer must keep the interview going at an even tempo so that time can be used in an advantageous manner. However, the delicate balance between providing an interviewee time for expression, and serving as a catalytic agent to keep the interview moving must be maintained.

*Prepared for Course FMLD 431 Introduction to Family Counseling taught for Department, Family and Community Development, University of Maryland

4. The Data Ought to Come from the Interview Itself

This principle in the authors judgment is the essence of the client-centered method. The data to formulate questions and responses are to come from observations made during the interview and comments of the interviewee. A purpose of this principle is to minimize the possibility of interviewer bias being injected into the interview, especially facts not revealed by the interviewee.

This principle stresses the fact that questions are not to be plucked out of the sky. They must relate to something the interviewee has said or some gesture which in the interviewers judgment is significant.

5. Focus on Emotionally Charged Areas

This principle ought to encourage the interviewer to listen for cues such as words which are often repeated. Words or gestures which seem heavily laden with emotion should receive the attention of the interviewer.

6. Approach the Interviewee Indirectly

The purpose here is to enable the interviewee to feel at ease, and express himself more willingly. Statements formulated to minimize defensiveness are encouraged.

7. The Interview Should be as Open-Ended as Possible

This sort of question can usually not be answered with a yes or no response. One of its primary objectives is to facilitate communication. Questions of this nature also have an additional advantage to minimizing interviewer bias.

8. Interview Should Facilitate the Expression of Feelings

During this period of rapid changes in the lives of people, individual desires and societal norms are often in conflict. Often the greatest need people have is to have someone listen to them. This principle focuses on encouraging interviewees to express their actual feelings.

9. Never Let the Interviewee Shift the Responsibility of Finding the Solution to the Problem to the Interviewer

Many people in need of assistance seek others to make crucial decisions for them. This is a way of avoiding ultimate responsibility. One purpose of interviewing is to help people help themselves. The role of the interviewer is not to be a parental or authority figure.

The interviewer can help by being a good listener and pointing out additional choices not contemplated by the interviewee. The probable consequences of each choice ought to be pointed out but the ultimate decision as to which choice or course of action ought to be pursued must be that of the interviewee.

Comments such as "You've made a good decision," etc., ought to be omitted. The standard of good and bad becomes the subjective self-referent. In essence, create an awareness of solutions but do not decide.

10. Respond to the Interviewee's Feelings, Not Merely to the Facts Presented

This principle points out the importance of listening for emotional attitudes inherent in oral expressions. This becomes the data to respond to and is much more significant than mere words. (Example): "It sounds as though you don't care much for John?"

11. When You Ask a Question, Wait for an Answer

An error often made by eager inexperienced interviewers is the tendency to ask more than a question at a time. Wait until the question you have asked has received a response.

12. Refrain from Being Judgmental

Guard against verbal and non-verbal cues which might tend to indicate approval or disapproval. Your values and bias belong to you and should not influence the interviewee to pursue a course of action you deem proper.

13. Adopt the Interviewee's Internal Frame of Reference

Try to see things as seen by the interviewee. It is the interviewee's perception that is reality, and this reality must be understood to provide assistance. Insight as regards another persons internal frame of reference can be achieved by listening carefully to what is said, and accepting the phenomena as reality for the interviewee. Argumentation and evaluation will have minimal value.

14. The Basic Skill of Interviewing is Perceptual Not Verbal.

Information can alter perception and consequently behavior. If we attribute behavior to a certain way of perceiving, one can understand and predict the behavior of a person by focusing on his perception of any set of phenomena.

15. The Self-Concept is an Important Regulator of Behavior

As a general rule, changes in self-concept correlate with changes in behavior toward others. Most behavior tends to be consistent with a person's self-concept. Insight into a person's self-concept can be achieved by adopting his internal frame of reference.

Techniques of Interviewing

1. Use Open-Ended Questions

Questions asked in an open-ended manner will facilitate communication because yes or no responses are avoided. (Example: "What would you like to do?") A Leading question is one designed to elicit a yes or no response although their use is to be avoided when dealing with substantive issues. They are permissable when dealing with preliminary questions (address, age, etc.) and the preliminary interest is in saving time.

2. Rephrase Words of the Interviewee

Use words which communicate an understanding and do not mechanically repeat the exact words used by the interviewee. Acquiring this skill communicates an interest in the interviewee, minimize interviewer bias, and enhances clarification.

3. Reflect the Interviewee's feelings

The focus here is on the subjective elements of what is said, attitudes which lie beneath the spoken words.

In order to apply this technique, what must be communicated is an understanding of the feelings and attitudes of the interviewee. All facts of behavior, verbal and non-verbal, (posture, gestures, etc.) become important as indicators of the interviewee's feelings.

4. Silence

Since people have been trained only socially, silence is measured in terms of seconds. When an interviewee ceases to talk, the interviewer should make no response if it is felt that no response is appropriate. Knowledge of when not to inject oneself into an interview is as important as asking the right questions.

5. Listening

One must distinguish between listening, which is a psychological process, and hearing which is a biological process. One must train oneself to listen whereas hearing is dependent on functional ear organs. A good listener facilitates empathy (an emotional identification with another) and is basic to an understanding of the subjective reality of another person.

6. Reflective Summary

This technique is used at the conclusion of the interview to sum up the feelings of the interviewee as expressed to the interviewer. It represents the interviewer's recall of the salient aspects of the interview. It also provides feedback to the interviewer.

A more substantive discussion of the non-directive or client-centered method of interviewing can be obtained by reading Client Centered Therapy by Carl Rogers.

The client-centered and rational therapeutic models proceed on different assumptions. While it is not the purpose of this book to contrast and compare the two models a few comparisons are necessary.

The non-directive method assumes that solutions to problems must come from within the interviewee and it is the interviewee who has the primary responsibility for action. It is the belief of Carl Rogers, its chief proponent that the way we feel will affect the way we think. Consequently, the emphasis on feelings is paramount.

The rational therapeutic model assumes that the interviewee has need of pressure on him to guide him toward his goal. It is the interviewer who has the responsibility for applying that pressure. It is the belief of Albert Ellis, the originator and chief proponent of this model that the way we think will affect the way we feel. Consequently, reason is of paramount importance. Characteristics of this model in contrast to the client-centered model are: suggestion, advice, coercion, persuasion, evaluation, extensive use of leading questions and hypothetical examples and interpretation.

Principles of the Rational Therapeutic Model

1. The Cognitive Process Will Have the Primary Effect on Behavior

Feelings are regarded as important, however, they are not as important as the rational process. The emphasis, consequently, is on ones thought processes: what one tells himself upon assessing a certain set of facts.

2. Behavior is Determined by What a Person Tells Himself

Muhammad Ali made the expression "I am the greatest" known throughout the land. This expression, however, has therapeutic significance. In focusing on what an interviewee tells himself, insight is provided into the persons behavior.

3. Inefficiency in Behavior is a Result of Not Being Yourself

Maladaptive responses which result in inefficient behavior are often due to trying to be something other than what you are. This sort of inefficiency is often due to what you as a person have been telling yourself. No act per se causes inefficient behavior. It is what the person tells himself about the act that causes problems.

4. Errors in Reasoning Often Cause the Erroneous Belief that Only One Conclusion Can Be Derived from the Same Set of Facts

Illustrative of this point is the experience of rejection. Ellis has pointed out that when people are rejected, they often erroneously conclude that they are rejects. This is what they have told themselves. He stresses the fact that what it ought to mean is they simply did not get what they wanted on a particular occasion. It does not mean they are rejects and they should not think of themselves in this manner.

5. Everyone Has a Philosophy of Life and Should be Aware of the Consequences Which Flow from That Philosophy

Often we are unaware of having a philosophy of life. Our response to various stimuli indicate a philosophy and to the extent that we become aware of it through rational processes and assess its consequences for us, no progress or growth can be meaningful.

6. What You Tell Yourself Will Be Reflected in Your Self-Concept

The feedback people receive is due in large measure to how they behave. What you tell yourself is a determinant of behavior. An example often cited in the literature to illustrate this point is that of the dog who walks with his tail between his legs as though he expected someone to kick him. More often than not he gets kicked. The image you project will often determine the response to you.

7. People Tend to Devalue Themselves

As a general rule, people tend to think more in terms of their weaknesses rather than their strengths. Interviewing ought to focus on a person's strengths and a component of it ought to be to persuade the interviewee to think in terms of strengths rather than weaknesses.

8. Learn to Rely on Your Capacity to Make Inner Judgments

Independence, not dependence, is stressed. An interviewee ought to be given exercises which promote reliance on his inner judgment rather than someone else.

9. Take Risks and Focus on What You Want Out of Life

Nothing ventured, nothing gained. Most people know what they want out of life, however, are afraid to take the necessary risks to achieve it. Interviewing should encourage risk-taking and what is lost by not taking these risks. If one is unsuccessful, it does not mean the person is a failure. It merely means in this particular instance one did not get the desired object but may get the next object.

10. Do Not Define Yourself In Terms of Others' Estimate of You

What you tell yourself is important. You know yourself better than anyone. Consequently, you should be the judge of your own personal worth.

HANDOUT

Minnesota Point of View/Vocational Counseling*

Williamson is associated with the development of the Minnesota Point of View. It is essentially a rational and logical approach to counseling.

Counseling and Psychotherapy are differentiated, counseling being broader than psychotherapy, which is often restricted to the emotion feeling evaluation aspects of personality development, to self conflicts often considered in isolation from the clients' actual life, and is often limited to the client's evaluation of, and reactions to, he experiences rather than being concerned with actual behavior in social situations. Counseling, on the other hand, is concerned with the interaction of personality and the surrounding culture.

Counseling deals both with the content of adjustments and also with the individual's attitude toward and valuations of his adjustment.

The Counseling Process

1. Analysis

The purpose of analysis is to acquire an understanding of the individual in relation to the known requirements of his present and future adjustments. Analysis consists of the collection of information and data about the individual. Before the client can be effectively counseled, he and the counselor must collect dependable, i.e., reliable, valid, and relevant information, from which to diagnose the characteristics which facilitate or inhibit satisfactory adjustment.

2. Synthesis

Synthesis is the summarizing and organizing of data from the analysis in such a manner to reveal the individuals assets, liabilities, adjustment and maladjustments.

3. Diagnosis

The collection and synthesis of data provide the material for diagnosis. Diagnosing involves three major steps. The first is the identification of the problem. The second step is discovering the causes. This involves a search for relationships and management practices, past, present and potential, that they may lead to an understanding of the causes of the symptoms.

The third step is prognosis. The diagnosis and prognosis are both relevant to the goals the individual is attempting to achieve.

Williamson states diagnosing is "a cooperative undertaking with the student (individual) taking the major responsibility in the understanding of himself insofar as he is intellectually able and emotionally willing to do so."

4. Counseling

Counseling is that part of personnel work in which a counselor helps the client to marshal his own resources, the resources of an institution and

*Summorized from Chapter 2 of Patterson, C.H. Theories of Counseling and Psychotherapy, New York Harper and Row, 1973 by Mary Stephenson.

and of the community, to assist the client to achieve the optimum adjustment of which he is capable...the term covers first of all a relationship which might be referred to a guided learning toward self-understanding. Second, counseling covers certain kinds of re-education or relearnings which the individual desires and needs as means to help life adjustments and personal objectives. Third, counseling may involve the counselor's personalized assistance to the counselee in understanding and becoming skilled in the application of the principles and techniques of general semantics to his daily living. In the fourth instance, the term is used to cover a repertoire of techniques and relationships which are therapeutic or curative in their effects. In the fifth type of counseling, some forms of re-education does follow therapeutically induced catharis.

Counseling is a generalized method of learning to deal with all kinds of situations.

5. Follow up

Follow-up includes what the counselor does to assist the client with new problems, with recurrances of the original problems, and what is done to determine the effectiveness of counseling.

Techniques of Counseling

1. Establishing rapport
2. Cultivating self-understanding
3. Advising or planning a program of action
   (a) direct advising
   (b) persuasive method
   (c) explanation method
4. Carrying out the plan
5. Referral to other sources of help

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PRESENTATION

Legal Aspects of A Family's Financial Management

Mrs. Stewart Oneglia

Because of the unique problems of women, let us begin by focusing on the importance of the husband's having written a will.

Several major problems arise for a wife if the husband dies without a will. First, at his death the law specifies how the property will pass. The wife will get one-third and the children will receive two-thirds of whatever property the husband owned in his own name. If there are no children, then the wife must share with his parents. His estate is to be distinquished from joint property which passes automatically to the survivor and does not pass into the estate; in other words, it does not include the children. If provision has not been made through a will, a wife is often placed in the situation of having to sell property so that it can be passed on to the children.

Upon the death of a person, intestate, the court usually will have to appoint a personal representative to settle the estate. The wife or children have priority to be nominated, but they must be appointed by the court or registrar of wills upon petition. Having a will permits an individual to appoint someone of his own choosing. The law permits a personal representative to take a commission on all that goes into the estate, so that if a lawyer or bank is appointed as representative, one can be certain part of the estate will be absorbed as commission. If trustees are appointed, they are also entitled to top commission. If a family member or friend is appointed as a personal representative, it should be specified in the will that he shall not have to pay any bond. Otherwise, the court will require that he be bonded in the amount of the assets.

Unless one has a very complicated estate, making a will only involves writing down everything that goes into the estate and subtracting all the bills; what is left goes to the heirs. A will should probably be drawn by an attorney and it must be signed by two witnesses. However, homemade wills often leave gaps in disposition of property and very often are taken into court. Provision should always be made for contingencies, such as the death of an heir. There is no body of law more technical than the law of estates and trusts.

In preparing women for divorce or widowhood, Mrs. Oneglia strongly urges that they be knowledgeable about their assets. She advises women to be aware of all assets, debts, creditors, savings account numbers, and have some idea of income. With this information, they will be able to make a realistic assessment of how much money they will need to live on.

In a class discussion of alimony and child support, Mrs. Oneglia suggested that before a final separation agreement is signed, a woman should consider an escalation clause in alimony or child-support payments. The courts will not automatically grant this; are reluctant to overturn an original agreement based on a husband's lower income. There are a number of considerations which should be negotiated before the divorce becomes final; such as, rehabilitative alimony

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which provides an opportunity for the wife to take some retraining or graduate education, keeping the children covered by the husband's present life insurance, and supporting children's education past majorty (age 18). Mrs. Oneglia further recommends that the wife make a cash settlement rather than depending on payments. Withholding of child support is often a means for the husband to punish the wife.

Mrs. Oneglia advised that all married women should obtain credit in their own name. Married women should have their own bank accounts as a way of maintaining their separate identities and proving the wife's contribution to joint purchases. When searching for apartments or completing applications one need not indicate marital status. This can be considered a form of discrimination if considered in credit granting.

Mrs. Oneglia views women's economic dependence as an explanation for their status as an oppressed class. Conversely, courts are beginning to recognize fathers' right to custody of children. But in practice, in the majority of cases, the mother will gain custody unless there is some obvious evidence that she is not a fit custodian.

The question-answer session ended with consumer inquiries about how to secure the best lawyer for the best price. It was explained that because of economic protection, lawyers cannot advertise or work for nothing; nor are there minimum or standard fees. There are no guidelines for selecting a lawyer other than one's own evaluation of the lawyer's position regarding women and a fee comparison.

30 PRESENTATION (notes from talk)

Some Problem Areas with Credit: Over-Extension; Availability to Women

Martha L. Garrison

Familiarity with some statistical facts regarding those encumbered by consumer debt serves the purpose of not being over-awed by a client who merely fits the norm of his age group or is typical of families of a certain stage of the family life cycle.

Data from Survey Research Center, University of Michigan TRANSPARENCY[14]

In one year's data, over 70% of the families with heads 25 to 34 years of age have installment debt.

Barely fewer families in the next child rearing stage are similarly encumbered.

Generally, about 60% of the middle income families have some installment debt.

There appears to be a stratification of borrowers from financial institutions.

See Tippett (1971)[1]

Nearly 70% of the borrowers from Household Finance in 1973[2] were non-professional (being clerical, operatives, foremen, military personnel) TRANSPARENCY

Credit unions tend to attract teachers; banks take on low risk borrowers (managers, professionals)

See LaPeove and Tippett[3]

Some families defend their use of credit as a good hedge against inflation as the contract is paid off with cheaper and cheaper dollars.

Bailard, Biehl and Kaiser show the reduction in actual cost of interest by inflation and itemized income tax deductions[4] TRANSPARENCY

With the rate of inflation soaring to 12% in 1974, saving money for a goal -- as an alternative to credit buying -- seems defeating[5] TRANSPARENCY (Chart, p. 125)

Over-extension of debt over assets can be recognized quickly by several yardsticks

The quickest and easiest mathematically is the rule that no more than 20% of the take home pay should be pledged[6]

See others in the references above.

Presented at Workshop: Money Management in Counseling Situations, June 2-13 and July 7-11, 1975, College of Human Ecology, University of Maryland, College Park, Maryland

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7. Troelstrup, Arch W. The Consumer in American Society. New York: McGraw-Hill Book Company. 1974, pp. 174-176.

8. Eisendrath, Jack N. "The Primrose Path from Easy Credit to Bankruptcy", Consumer Credit in Family Financial Management. Washington, D.C.: American Home Economics Association. 1968, pp. 93-97.

9. Ryan, Mary E. and Maynes, Scott E. "The Excessively Indebted: Who and Why" Journal of Consumer Affairs, Winter, 1969, pp. 107-124.

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12. Matsen, Suzanne. "Profile of the Problem User of Credit--The Bankrupt" Consumer Credit in Family Financial Management. Washington, D.C.; American Home Economics Association. 1968. p.p. 73-77.

13. Garrison, Martha L., "Credit-Ability for Women" a paper being presented to the Family Action Section of National Council on Family Relations, August 21, 1975.

14. Survey of Consumer Finances, Table 2 and 3, p. 40. Survey Research Center, University of Michigan, 1966.

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Personal bankruptcies, rather than business ones, represent 90% of those filed in 1970[7]

Legal obligation is removed, but not a moral one, to pay off debts in full

Alternative at Court: Chapter XIII, wage earner plan

The use of courts entails fees

The sum of studies of the bankrupt project similar profiles of those most likely to become over-extended:

taking on too many credit obligations
unemployment
unexpected medical costs
additional characteristics: see Eisendrath,[8] Ryan and Maynes,[9] Lane,[10,11], Matsen[12]

Establishing Credit-Worthiness

Possessing a credit card inscribed in one's own name has become a necessity for (1) identification, (2) a chance to establish a "track record" of responsibility in paying debts prior to making a large purchase such as a car or a home, and (3) continuation of credit-worthiness through changes in marital status of women over a lifetime.

Criteria for granting credit vary by geographical location and changes in money policy in the economy as well as in the institution approached

Steps to getting credit for women[13] HANDOUT

Equal Credit Opportunity Act, effective Oct. 28, 1975, makes a legal promise of non-discrimination because of sex or marital status

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Footnotes:

1. Tippett, Katherine Saythe, "Trends in Consumer Credit", Family Economics Review, Sept. 1971, pp. 7-10

2. Cohen, Jerome B., Personal Finance, 5th ed. Homewood, Ill: Richard D. Irwin, Inc., 1975, p.237

3. LeFebve, Joan and Katherine S. Tippett, "Family Adjustment to Debt Payments", Family Economics Review, Dec. 1972, pp. 16, 17.

4. Bailard, Thomas E., Biehl, David L., and Kaiser, Ronald W., Personal Money Management, Chicago: Science Research Associates, Inc., 1973, pp. 208.

5. _____"Can you Inflation-Proof your Savings?" Changing Times, October 1974, p. 11.

HANDOUT

Action Program from Credit-Ability for Women

Martha L. Garrison

How well can we anticipate that the Equal Credit Opportunity Act will function beginning in November, 1975? As this Act is an amendment to the Consumer Credit Protection Act of 1968, it is appropriate to examine the history of compliance with its regulations. Initially, creditors made major adjustments in their procedures in installment contracts and open-end credit (revolving charge accounts) but lately, compliance is becoming lax (Anon. Consumer Newsweek, 1973). Likewise, performance based on previous amendments to the Act, such as the Fair Credit Reporting Act has been erratic.

The record, then, leads us to believe that vigilance in monitoring compliance with the Equal Credit Opportunity Act may be necessary. In particular, women who want credit in their own names must make assertive efforts to acquire it. Those who are counseling, likewise, may be called upon to offer some procedures to overcome the handicap of lack of credit-ability. The collection of approaches below contains workable procedures garnered for those two purposes.

1. Applicants need to be aware of how the credit granting system works. First, the written application form provides the basic information. Secondly, an employee in the credit department screens the applicant by interview. Knowing that this interviewer has limited authority, an applicant who believes she can qualify by using additional documentation, should ask to see the credit manager. Quietly, confidently, but not arrogantly. See Approach 2.

2. Seeking credit for the first time, a woman, unsure of being accepted because of inadequate income or job tenure, would be wise to fortify her position by bringing along documentation of her financial managerial skill. One kind would be evidence of a regular saving pattern as shown by her passbook from a credit union or bank. Another kind would be canceled checks or receipts for large purchases, money order receipts, receipts for payments on gas and oil credit cards on which her signature appears.

These records establish a "track record" either as a marriage partner, as a single individual, or as a person managing obligations since a change in marital status occurred. The would-be lender can review these records, inquire at the local credit bureau, and add his assessment from a personal interview to determine credit-ability of the applicant.

Lacking a "track record", a person might purchase it. That means to borrow a small sum of money, say $50 to $200. Where? If the person does not have access to a credit union and is unable to borrow from a bank (in metropolitan areas, banks are especially strict and seldom lend less than $500 to $600), the consumer finance company is more likely to oblige. The finance charges are high, but the borrower can earn interest on the s.a

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borrowed by depositing it in a savings account until the debt is due. Once the loan is repaid, a record is established. The net cost of the purchase of one item of a credit history is the difference between the finance charge paid and the interest earned on the savings account. (Weaver, 1973).

Buying a credit record! Why not? We all purchase services that we need.

3. Divorced and/or widowed women who want to re-establish a credit record, might start first with credit easiest to get: gas and oil credit cards. Next, seek retail credit. (Morigi, 1975) Some large department stores have a lenient attitude already toward marital status so long as the means of repayment is evident. Women without that possibility might inquire at the local speciality shops where she is a familar, frquent customer. With possession of one credit account, the successive ones are easier to obtain.

In cases where the widowed, divorced or separated women continues to make repayments on jointly incurred debts, Morigi encourages them to notify the creditor so that the beneficial record becomes identified with the women.

Because bank credit cards and travel and entertainment cards with national and international recognition have an extensive "exposure" to charges, often there is greater difficulty in getting these accounts. (Nichols, 1975)

4. Child support and/or alimony payments claimed as the major source of income need proof that they are reliable. Here, the women applicant is wise to bring along photocopies of checks made out to her from the supporting spouse, photocopies of income tax returns for appropriate years, as well as names of people who know the family well as references. Again records of payments made responsibly since the change in marital status are likely to strengthen the case for the applicant.

Further, during 1975, both alimony and child support judgements will become collectable from persons receiving federal checks under provisions of P. L. 93-647. The garnishment would apply to:

> "reimbursement in any form from the government to an employee, consultant, retiree, or person receiving disability payments from the government." (Causey, 1975, 217)

Although the law became effective on January 1, 1975, the guidelines had not been agreed upon as of the middle of May.

5. A women should request that her credit accounts is inscribed in her own given name and surname.

   a. If she is able to qualify on the basis of her own income, she should request a separate account, identified by her own number.

   b. If she is not employed or does not have an independent income, her father or her husband's credit worthiness will earn the account for her. In that case, there will be a single, shared, identifying account number.

6. Since communities vary in their progress toward accepting women's credit-ability, anyone wanting current information is wise to contact the local chapter of the National Organization for Women (NOW) or the Commission for Women usually affiliated with the county or state government.

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PRESENTATION

A Bank's Function In Improving Money Management In Families

Klayne E. Morigi

Overdrafts - When a bank manager detects mismanagement of a customer's account by finding successive overdrafts, he/she looks for causes with the customer. Bank officials may waive penalties for overdrafts -- overdrafts are really loans -- as they review their overdrawn accounts daily. Granting such loans is an earned privilege for the manager.

Sloppy habits in using a checkbook cause many of the overdrawn accounts. Some people never record deposits nor checks written. Occasionally, the bank makes an error; other times, there is a lack of an account number or an erroneous one on a check, the check has not been signed and cannot be processed.

Depositors should carefully reconcile their bank statements with their checkbooks being sure that each one has every deposit recorded. For that reason the depositor should keep all deposit receipts until they show up on the statement.

Loans - How much the bank can have in its loan portfolio depends on regulatory agencies. In the case of a national bank, it is the Federal Reserve System. In times of "loose" money they may be able to lend 20% of their time deposits, but in "tight" money times, they are limited to 15%. Then, only car loans and personal loans to regular bank customers are available.

Reading over a loan application, the bank officer is seeking an answer to the question: can this person pay back his loan? The loan application tells him:

what the loan is for
how much the customer wants to borrow
what assets the customer has
how he has been spending his earnings
to whom he owes money
(It is this bank's policy not to make consolidation of debt loans nor to support the use of credit cards by making loans to relieve that obligation).
how stable is he?
as far as tenure on the job?
as far as length of residence?

When reviewing the loan application, the bank's officer uses a rough estimate that the customer's loan obligations should not exceed 25% of his gross income, excluding rent or mortage payments.

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Delinquent loans owed to the bank become a write-off for the year that they were due. (Last year Peoples National Bank wrote-off $[illegible],000 in delinquent loans and the first mortgage in their 11½ year history had to be taken back). If the borrower later repays some, or all, of the loan, it becomes a profit on the bank's financial statement.

Over-extended debtors - Miss Morigi observes the following:

- —"crediholics", people who are never out of debt, for as soon as one debt is paid off, the family/person incurs another
- — persons fail to stop and think that they could save and then buy the object
- — TV is a powerful lure to persons to "charge it"
- — displeasure with customers who borrow by using their time savings deposits as collateral because the interest on the time deposit is more than the interest charged on the loan (erroneous statement - Ed.)
- — others excuse their borrowing as an offset to the earnings they make as interest on their income taxes

Persons who are unable to make their payments should come to the bank and discuss the circumstances with the loan officer. Banks will accept partial payments if they know what happened. On home improvement loans, the bank is protected by insurance against loss. (Renters cannot get home improvement loans).

Bankruptcy - Bankruptcy is available to anyone who can prove his assets are less than his liabilities. Nine out of ten bankruptcies filed these days are personal, not business, bankruptcies.

Although the obligation to repay is wiped clean by the legal action of bankruptcy, subconsciously "I remember". However, since the lender cannot deny credit for the reason that the customer had sometime declared bankruptcy, he/she will probably search for another allowable reason to deny credit. "Bankruptcy does really put a mark on you".

Credit records - Getting a credit record on file depends upon (1) an inquiry having been made, (2) delinquency of payment, or (3) asking to have a file established.

Establishing credit - To establish credit, get a loan through a commercial bank. A bank will always give a reference on you.

Although the bank does not refer persons in financial difficulty to anyone for counseling, she called attention to a recent article about the Consumer Credit Counseling Service in Baltimore.[1]

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1. Boehm, Victor L. "Consumer Credit Counseling, A New Way of Life", Maryland Banking Quarterly, Spring 1975, pp. 5, 6, 31, 75-82, 85-102

PREPARATION

Questions Posed to Bank Managers

1. How do you find out about financial stress among your customer-families?

2. If they've come to you because of —

   a. a defaulted loan

   b. overdrawn checking account

   c. overdrawn line of credit

   d. an over-accumulation of charges on a bank credit card

   What do you do for the family?

3. From these kinds of problems you encounter with customer-families, what is your guess as to the primary causes?

   Do you have figures? Statistics?

4. In what ways have restrictive measures been set up to prevent customers' financial difficulties and disasters —

   a. by your bank?

   b. by the credit card franchiser?

   c. by governmental regulatory agencies?

5. If the family who has financial difficulty with the bank shows evidence of mismanagement across the board in financial matters, do you make referrals for counseling? To whom?

PRESENTATION (interviews with simulated case families)

FAMILY SECURITY: INSURANCE TO MEET FAMILY GOALS

O. McRae Covington

1. Pam, role-played by a task force member, interviews Mr. Covington

Mr. C gathers financial data from Pam (See case, pp. 73)

Mr. C asks about the family's perceived needs

Pam asks if she should buy Federal government group life insurance when she takes a new job there in June

Mr. C believes the joint coverage her husband and she have at $25,000 apiece plus the National Guard policies her husband has would be acceptable at this time. Premiums on Federal government group life insurance policies are not expecially good buys now.

Mr. C raises the possibility of wanting an additional $5000 for their child's graduate education; that means, more than they have already provided for

Mr. C's recommendations for the family:

Each adult should have a will
Pam should have disability insurance
suggested premium of $116 a year
provides $400 a month for a 2-year illness if she can't work at her own job; 30 day waiting period; additional details given--including existing illness provision, etc.

2. Nancy, role-played by a task force member, interviews Mr. Covington

Mr. C.inquires about her financial condition (See case, pp. 85)

Mr. C asks Nancy what her first needs are.

Nancy replies

first, to be employed
second, provisions for her son's education
third, financial security.

Mr. C suggests a $5000 permanent life insurance policy on the son that will provide a cash value of $400 in 10 years, $1000 in 20 years with a provision for waiver of premium if Nancy should be disabled and unable to pay the premiums. Cost $6 a month.

Mr. C urged Nancy to see if she could find $6 a month for a term policy on herself to provide $25,000 coverage in case of her death.

Mr. C urged Nancy to have an up-to-date will drawn up.

(Covington, continued, p. 2)

3. Mr. and Mrs. B. Mrs. B, role-played by a task force member, interviews Mr. Covington (see case, pp. 105-123)

Mr. C asks about financial details of the family management.

While reviewing the health insurance coverage, Mrs. B asks if it would matter, financially, from whose income the health insurance premiums are withheld.

Mr. C replies, "No," but be sure they continue with High Option coverage.

Debt obligations are covered by credit life insurance; no additional life insurance needed to protect that risk.

Mr. C recommends each adult have a will.

Mr. C asks about needs they perceive.

Mrs. B says they want (1) the surviving spouse to live comfortably (as both have retirement benefits from Federal Civil Service plus a $5000 policy on Mr. B's life, they feel satisfied on this need) (2) education fund for their 14 year old son (currently she is saving $100 a month secretly for that purpose)

Mr. C suggests a tax-sheltered annuity costing $100 a month to pay out $5000 to $6000 after 5 years. If ineligible for tax-sheltered annuity, then purchase a fixed annuity. Or "Mrs. B" could take out a policy on her own life and upon his becoming 21, she could assign the cash value to her son. That would be about $700 or $800 -- less cash than the annuity because the insurance risk has been subtracted.

Mrs. B asks if there is any way to assure that funds saved for the son's education are used only for that purpose?

Mr. C responds, "In your will."

NOTE: The class members had been working with information from their case families for several days and were thus quite familiar with details. Both The Insurance Agent and the family members were instructed to proceed as they would during a home visit by The Agent.

PRESENTATION

Effects of Inflation on Family Money Management

Martha L. Garrison

The impact of inflation on some families' spending for necessities is real, not a mere scapegoat expression for poor money management. Mork and Magrabi's study of two hypothetical families showed that the retired couple, living on a fixed income of $4,740 annually from 1961 through 1973, increased their percentage of expenditures for current consumption from 81 percent to 108 percent of that income. On the other hand, the wage earner's family of 4 saw their money income rise from $7,800 in 1961 to $13,801 in 1973 and their expenditures for current consumption drop from 78 percent to 67 percent. By requiring the wage earner's family to retain the moderate-cost level food plan and continue all other purchases at that level, the excess money income was invested annually in a savings account. In 1961 the family saved only $19, but they achieved a peak of $1,502 in 1972.[1]

TRANSPARENCIES
(bar graph constructed from data in table on p. 4)

Mork and Magrabi offer the suggestion to retired persons living on fixed incomes that reducing the standard of living in their earliest years may be the only way of coping with the inroads of inflation in later years. Dipping into savings is an alternative. On the other hand, if the retirement income has escalation provisions built into it, their difficulities will be reduced.

Because of the large increases in social security withholding in 1974 in addition to inflation, it now takes $23,640 to live at the level of $10,000 in 1949.[2]

Escalation clauses are being used increasingly to relieve the burden of inflation on annuities, insurance, pensions, and welfare payments. An example is the Civil Service Retirement System for Federal employees where every time the Consumer Price Index rises by 3 percent or more and is sustained at that level or higher for 3 months, benefit payments are adjusted upward automatically. Similarly, in some wage contracts the amount of such increase is 1 cent added for every 0.4 of a point increase in the CPI.

Kosoris states that escalation clauses alleviate discontent and prevent disruptive strikes during wage settlement negotiations. He mentions that escalation clauses may slow down inflation itself by allowing smaller increases than would be achieved by negotiation.[3]

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Footnotes:

1. Mork, Lucile F. and Magrabi, Frances M. What Price Increases Mean for Families , Family Economics Review, U.S. Dept. of Agriculture, January 1974, pp. 3-6.

2. _____ Income and Purchasing Power Finance Facts. Washington, D.C., National Consumer Finance Association. June 1975, p. 1

3. Kossoris, Max D., Prices, Escalation, and Economic Stability , U.S. Dept. of Labor, 1971.

PRESENTATION: (Summary)

Intergenerational Aspects of Money Management

Roger Rubin

Dr. Rubin's address focused on four intergenerational concerns which affect family resource management. Three of these issues represent stages in the family life cycle: youth, middle years, and the aged. A fourth, interpersonal aspect is the growing pluralism in life styles.

In his opening remarks, Dr. Rubin revealed that "...the marriage literature dwells heavily on the fact that economic and financial problems are one of the major undermining factors in contemporary American marriage; they're a major source of conflict. But when you go to the textbooks and start reading the literature, there's relatively little research on economic issues and its consequences for interpersonal relationships". Financial matters, as a source of conflict within the family, have barely been studied by social scientists.

What appears to be the current focus in family-life research is an examination of environmental changes, and how these create stress or strengthen interpersonal relationships within the family. Because of rapid social chance, the concern with family relationship patterns is future-directed - how will these patterns be altered by external changes in the society? One effect of an altered environment on family members is the increase in numbers of people of different generations with varied backgrounds and experiences interacting on an intimate level within the family. It was Dr. Rubin's contention that "the kind of change that's occurring in <u>society</u>, then, may create support, opportunity; but it may also result in conflict, in confrontation between generational members." Rapid social change results in "...an increasing stratification of generations, so we not only stratify ourselves in terms of social class, but we're increasingly becoming a segregated society in terms of age also." Alienation and decreased contact result when members of older generations view themselves as being obsolete and when a reversal occurs in transmitting cultural wisdom - from the young to the old. This break in the continuity of socialization brings with it increasing polarization between generations and family disorganization. "And some sociologists and psychologists and others who are interested in these sorts of phenomenon contend that divorce, desertion, unwanted pregnancies and such are some gross examples or manifestations of the kind of disorganization that we're referring to."

Environmental changes such as wars, mass media and economic recession and depression have a profound effect on intergenerational interaction within the family. In reviewing research triggered by the Great Depression of the 1930's, Dr. Rubin suggested that "...kin network became much closer; that this kind of interdependency, particularly in terms of finances, was a critical factor in the survival, in some cases the actual biological survival, of individuals...the lack of housing which was representative of the Depression caused postponement of marriage, and the marriage rate began falling rapidly during the Depression...the same thing seems to be occurring now. The latest data on American marriages indicates that Americans are again delaying their marriages. The last time this occurred was 1958, the last time we had a

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recession. Once again, if one looks at the Great Depression of the '30's and recessions in the '50's and 70's, individual decision making seems to be very much affected by these kinds of factors...and that greater dependencies then are made on one's parents and other relatives who may be able to provide some sort of financial support." It seems, however, that "...there are two bodies of literature about the Depression and its effect of family life. One body of literature indicates that people shared and they clustered together. And another body of literature indicates...that mental health, in general, decreased as measured in the extreme by suicide, but also by a great deal of internalized hostility...or in other hostile acts between family members...Thus families may stay together and depend on one another, but it does not necessarily mean that good relationships exist." This may have implications for our current economic situation and its effect on family life.

Dr. Rubin then focused on four issues during the family life cycle in relation to intergenerational conflict and what these issues may suggest for those persons concerned with family financial counseling.

The first "...intergenerational issue might be termed the youth issue; that is, the increasing dependency of young people in this society - they stay in school for longer periods of time; they tend to cluster around the nuclear family for longer periods of time; they tend to remain economically dependent for longer periods of time. This implies that families have had to make certain financial preparations very early in their own lives.

This lengthened period of dependence or "youth stage" has created a youth culture in which, according to Margaret Mead, the participants have developed appropriate styles of behavior for which there are no parental models. Margaret Mead sees our society moving into what she calls a "prefigurative culture", the child and not the parent or grandparent represents what is to come, and the young lead their elders.

The middle years was identified as the second phase of the family-life span in relation to intergenerational tensions. This has been labeled the crisis of the middle years and includes concerns with redefinition of roles for both men and women, redirection of resources, and responsibilities for aging parents while continuing support for children. Empirical data to assist in understanding how some in their middle years cope with these strains better than others is lacking, because these persons are difficult to reach for study.

In projecting a life-span view of what's happening to American families, Dr. Rubin focused on the economic situation of the aged population in our society. With money the major problem, economic dependence filters back into the kinship structure as generational dependence. Health care expenses were identified as the second most critical economic problem for the elderly.

Mention was made of a fourth issue affecting intergenerational relations within the family. A growing pluralism has occurred in life styles, including single-parent families and single individuals. Census data suggests that the modal American family, the nuclear unit, is in the minority.

Finally, Dr. Rubin viewed intergenerational tensions and conflicts as an opportunity for re-examination. Since it is through money that American family members view themselves as successful, more attention in the family field should focus on an examination of the allocation of resources among family members.

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PRESENTATION: Strategies in Using Community Resources When Suddenly in Reduced Circumstances

Elizabeth Farrell

Liz describes herself as "a middle class woman, who, when my husband left, found myself a single parent of children ages 12, 14 and 15. I faced the conclusion that since I would be working twenty years or more I should be doing something I liked to do."

Liz had had 1½ years of college, her husband left her a beer and wine bar which she sold to repay a debt to her father. She had been selling advertising. She was seeing a psychiatrist because she faced acute depression after her husband left.

Liz had made contact with the Vocational Rehabilitation Office in Florida where she was living but finally decided to return to Maryland. In discussing the prospects of getting aid from Voctional Rehabilitation, she found that: (1) benefits vary from state to state. (2) It is difficult to know what to ask for, and if you ask for too much they may not take the case. (3) A letter of introduction from one agency to another may simplify procedures.

In Maryland Liz applied for Vocational Rehabilitation funds for her school tuition at the University. She was elligible for welfare funds for living expenses, ($245 per month) and she qualified to purchase $154 worth of food-stamps. At the time of application she had $431 in the bank making her ineligible until she wrote a check for payment of one of her bills. Thus reducing her balance below $400.

Liz noted that before coming to Maryland she had earned between $8,000 and $15,000 a year from commissions.

Liz had made many community contacts to ease the transition to a new community. These included school counselors, neighbors, the YWCA. This search for resources was enlarged as a Special Independent Study for college credit: she compiled Handbook for Single Parents in Montgomery County [1].

There were many personal frustrations in having to do everything by herself; it was extremely helpful when she could get a friend to accompany her to some of the public offices.

Liz cited the fact that "part of being poor is being able to say you're poor and to ask." You have to accept riding on other peoples' funds for a while. "Get to know neighbors and friends; people are your best resources." She had also had to accept the shift of role from that of a homemaker, in that her time would be bought by someone else for the rest of her life.

Several suggestions for seeking help from governmental agencies were:

(1) Consult the elligibility book - it is open to the public.

(2) Keep receipts and records to show your bills and payments.

(3) Your planned expenses must "match" what welfare can pay.

(4) Hardship rent is a separate application from basic Welfare grant.

Whereas the "low income person" might know the rules from word of mouth contacts, the middle income applicant does not have this information. One will encounter many difficulties in finding dentists who will accept Medicard patients. There are several women's groups that may be helpful in getting legal advice about clarifying one's status.

[1]

[1] Mimeographed booklet available from the author at cost.

AB

PRESENTATION (notes from a talk)

Economic Transactions: Grants and Exchanges

Dr. Charlotte V. Churaman

Kuhn[1] defines a transaction as an interaction between systems (parties) with reference to value content to the parties.

An exchange transaction involves two mutually contingent decisions. The model of an exchange is essentially selfish-indifferent in that each party wants to maximize, but will conclude the exchange if the benefit is equal to or greater than the cost. It is assumed that each person knows his own preferences well enough to say "yes" or "no" to the proffered terms.

One of the assumptions of an exchange is that the participants are equal and that each advances his own interest by advancing the interest of the other. They make a contract or a promise to make delivery as agreed.

It is becoming very obvious that exchanges do not adequately account for many of the transactions we make today, economic or social.

The concept of Grants as defined by Kenneth Boulding[2] challenges our thinking concerning this little understood phenomenon.

HANDOUT

In Systems terms, "Power is concerned with magnitude of effect;"[1] Grants or gifts may raise many questions of both motivation and effect. We are familiar with the term, "transfer payments" as grants. We usually think of this in connection with Social Security or Welfare. Social Security and Life Insurance represent transfers "in time" because nothing is exchanged for them in the time period under consideration. Welfare is a non-contributory transfer payment. Grants or transfer payments present a surprising pattern. Families whose income just about equal their need receive an average of $1480 in grants per year; those whose income is greater than their need receive about $1000 per year.[3] The type of transfer changes as income rises. Ten percent of the population has income less than need, but this would double if there were no transfer payments. Low income families concerned with marginal tax of working more are in a position almost comparible to the high income family concerned with getting in another tax bracket.

It is in the family that most grants are carried out. If it were not for this form of transaction all children and old people would die.[4] Boulding's interest in grants economy carries over from the economic sphere of activity to the psychological motivation associated with a transfer. When love systems deteriorate into fear systems, grants become a very dangerous form of transaction indeed.

There are many situations in family counseling that might be better understood by examining them in terms of exchange or grant transactions. The counselor deals both with internal or intra-system transfers in the family and with inter-system transfers.

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A Simplified Typology of Human Tranactions

	Exchanges	Grants
Relationship of parties	equal	dependency/independency
Typical roles	adult-adult	child/adult child/parent
Kind of transaction	bargaining contract	requesting and/or offering gift or transfer
Motivation	self-interest fairness	love or fear
Examples:		
Economic	consumer buying contracting for a service	welfare payments(direct) tax exemptions(implicit)
Interpersonal	"If you do this I'll do that"	"I do this out of love" "I do this because I fear the consequences of not doing it"

In everyday life, when we look at the economic exchange process itself we generally do not consider some costs (such as time, frustration or loss of face) or some benefits (such as the fun of bargaining or the pleasure of one another's company) as part of the exchange. It is very obvious that these things would not show up in record keeping, or would not be represented on the price tag for a good or service.

Though the concept of exchange originates in economics, family life educators have carried the term over to the give and take of inter-personal relationships. Sometimes they use techniques of contracting and bargaining in these spheres too. Lester Kirkendall has recounted that when his students speak of the "50-50" marriage he responds by suggesting "this takes a tremendous amount of bookkeeping".[5]

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HANDOUT

Notes from The Economy of Love and Fear

By Kenneth Boulding

Introduction and Chapter I

From the time of Adam Smith, economics has been dominated by analysis of how society is organized by exchanges. The idea that "Exchange Economics is not enough" is the central theme for a new area of investigation: "Study of Grants Economy". Kenneth Boulding and Martin Pfaff are editors of a series of books on this subject. "Economy of Love and Fear" by Kenneth Boulding is the introduction to this series.

Exchange is a two way transfer (A gives something to B and B gives something to A). The total net worth of the two parties are not changed. A Grant, is a one way transfer (A gives something exchangeable to B, B gives nothing exchangeable to A). The net worth of the receiver is increased at expense of the giver.

Pure exchange economics cannot come to grips with some of the most important problem of our day -- for instance, those involving the distribution of power, income, and wealth which exchange economics takes for granted. (In other words, how do we explain charity, public finance, public goods?).

Boulding upon looking into the study of grants, concluded that one-way transfers come out of two different motivations and two sub-systems within the larger framework.

1. Grants (gifts) may be products of integrative relationships ("economy of love").

2. Grants (tributes) are also a product of threat and the threat system ("economy of fear").

A study of the first type of grants leads into sociology, while the second leads into political science.

Today from 20 to almost 50% of the American economy is organized on a grant basis. (The difference depends on whether implicit grants are included in the definition.) Examples of grants are: gift to a beggar, father writes a check for his son's education and upkeep, a foundation provides a research grant.

In a sense grants may seem like exchanges but only if we include psychological transfers (example, I give a beggar a gift, I receive status). Economics must deal with value as recognized by accountants; therefore, the psychological aspect cannot show up on the balance sheet. Nevertheless, the balance sheet is an essential tool of managing money at all levels.

Boulding recognizes internal or intra-system transfers; the higher a person stands in the heirarchy the more internal grants he has the power to control. External or inter-system transfers are made between two systems.

Summarized by Charlotte V. Churaman

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The mixture of love and fear--that surrounds grants is characteristic of much of human behavior. Parents support children not only because they love them but because they're afraid what the neighbors will say.

Grants generally have the objective of changing behavior of the recipient.

Grants serve to correct the results of the exchange economy.

Willingness to make grants depends on:

1. Perception of efficiency of the grant

2. Degree of identification with the recipient

Chapter 2: Micro Theory of Grants

A Grant always represents a relationship between two or more parties. It involves at least two decisions--a decision on part of the donor to make a grant and the decision on the part of receiver to receive it. Simple exchanges are complicated by communications problems. A's image of that which is being transferred may be different than B's image of the same referent.

Some integrative aspects of grants may be noted in the following definitions:

a. Reciprocity might represent a set of mutual grants. (For example, Christmas gifts are unconditional--(Boulding suggests that this may explain why people seldom get what they really want.)

b. Serial reciprocity is important in the relations of the generations (A gives something to B, B gives something to C, etc.)

c. The sacrific trap occurs when a party makes an initial grant and then rather than lose his investment he makes further grants. (Example: War in Vietnam)

d. Grants are well adopted to multi-partied relationships.

e. The labor grant is found in Volunteer service.

f. Inheritance is a grant from the dead to the living

Chapter 3: Macro Theory of Grants

The concept of equilibrium has been postulated in standard price theory in exchange and two different dynamic processes within this concept have never been reconciled. The two processes which both seem to operate are:

price dynamics

income dynamics

It is Boulding's' intention that since neither of these accounts for the whole set of money-prices or money-wages. (Recall that from 20-50% of money that circulates is in form of transfers.) The quantity and distribution of grants affect the overall demand and supply of commodities.

The implications of grants are enormous practical importance in making decisions about social policy. Some issues are:

Guaranteed annual income

Housing

Taxes and subsidies

Price supports

Tariffs

Chapter 4: Implicit Grants Economics

This refers to the redistribution of wealth or income that takes place as a result of structural change or manipulation in the set of prices and wages, licenses, prohibitions; opportunity or access.

Advertising, which is a one way transfer of information is designed to change the demand structure of society.

Chapter 5: The Theory of Exploitation

Boulding suggests that the most difficult and controversial aspect of the grants economy is the problem of legitimacy of grants, either explicit or implicit.

Many systems that commence as integrative "love" systems deteriorate into "fear" or "threat" systems.

In the question of use of natural resources any generation has the power of exploiting the resources of the future.

Chapter 8: An Epilogue on Time's Arrow

At least four types of processes can be distinguished in our image of the past that enables us to make some sort of projection.

1. Simple mechanical processes by which we project stability.
2. Genetic or blueprint
3. Evolution
4. Constraint ("spaceship earth")

The social triangle could be represented with three apexes (100% love, 100% threat, 100% exchange) and the proportions of each plotted on the triangle.

Summary

The theory of grants economy has been proposed as a way to interpret economic transactions more realistically than has been possible through exchange theory alone. It has monetary, philosophical, and psychological aspects and represents a general systems approach to an economic phenomena.

Questions on Application of Concepts to Family Money Management

1. How does Boulding's thesis meet the reality test of your own experience?

2. Do people perceive grants money any differently than money they have earned? What are implications for counselors?

3. What evidence can we see at different systems level that an economy of love may deteriorate into an economy of fear? Can we turn it back?

4. What is power? How is the issue of money and power clarified through Boulding's writing? Do his ideas link up with the writings of psychologists and family counselors who have dealt with this subject?

Boulding, Kenneth. The Economy of Love and Fear. Belmont, Cal. Wadsworth Press, 1973 (Paperback).

PRESENTATION

Power Plays with Money

Martha L. Garrison

Graham suggests that power struggles over the use of money between marriage partners might be alleviated by acknowleging needs and goals along with the strengths present in money management. After the partners' assets are carefully assessed, they could work out a suitable alignment of rules in money management.[1]

Olson found in his extensive study of power in families that although it appears to be exerted, it cannot be accurately determined who is the powerful person in the marriage dyad or in the family.[2]

Relying on research by Olson, Stephen Bahr and Boyd Rollins, as well as Constatina Safilios-Rothschild, Lobsenz identifies six basic decision-making patterns:

traditional role playing
taking turns
area of authority
decision by subterfuge
decision by default
no decision - let the fates decide

Because whatever power is exerted in the decision-making of the family falls into a pattern that is repeated invariably, persons need to recognize their pattern. That pattern is how a major crisis would be resolved. Counselors likewise, need such clues in working with their clients.

Footnotes:

1. Graham, K. Edwin, "Money Power in Marriage", Topics. New York: Institute of Life Insurance, pp. 5-8. 1973.

2. Olson, David H. "The Powerlessness of Family Power: Empirical and Clinical Considerations", Science and Psychoanalysis, Vo. XX; The Dynamics of Power. J.H. Masserman, ed. Grune & Stratton, Inc. Copyrighted 1972.

3. Lobsenz, Norman M. "Who Makes the Decisions in Your Home?" Woman's Day, January 1974. pp. 26, 98-102.

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PRESENTATION: (transcribed talks)

Panel Discussion: Help With Money Management
Who's Doing It? and How?

Chairman - Mary Stephenson
Panalists - Fred Waddell, Consumer Advisor, American Association Retired Persons
Harold Pease, Pastoral Counseling Service of Greater Washington
Marguerite Tollefson, Montgomery County Cooperative Extension Service
Robert Gibson, National Foundation Consumer Credit
Virginia Miller, Prince George's County Family Services
Barbara Tempkin, Montgomery County Social Services

Fred Waddell:

I have not been involved in any financial counseling for the last two years, so you can take what I say with a grain of salt, perhaps with a whole barrel of salt. I used to be Director of Education and Research of Credit Counseling Counselors, Inc., the largest financial counseling service in Michigan. I have conducted courses for Iowa and Maryland Credit League. That is, I have trained people to be financial counselors, people who have not done this before. I would like to make some observations about the field.

First of all, in the field of financial counseling, I think of those agencies that belong to the National Foundation of Consumer Credit. If you pardon the cliche, "Never has so much been done for so many by so few, with so little". What I mean by this is that the organization of individuals, in community agencies and counties have done a really outstanding job of helping large numbers of families with little community support.

The Federal Government, including the consumer offices and programs, have turned deaf ears or pretend these programs don't exist. For example, there was a major study on bankruptcy to see how more credit counseling can be injected into bankruptcy, because we know there is no rehabilitative process to bankruptcy as such. It called for strengthening of counseling with bankruptcy courts as well as some other agencies. It was typical of the Federal Government that no action has been taken either to reform bankruptcy system or to inject more counseling. As a result, Financial Counseling still struggles along.

Very few financial counselors are directly recruited from campuses. This says something. College campuses are just now beginning to awaken. You can get training in every other kind of counseling but not a major in financial counseling.

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Like any form of counseling, people only seek it, psychological counseling, marriage counseling, when they are going under for the third time. One might define categories or levels of counseling. First, there would be the crisis stage - people on the brink of bankruptcy or about to have wages assigned. The severe level is characterized by family squabbles, one step ahead of ultimate disaster. The next stage, we might all fall in, would be moderately severe. "I just can't seem to get ahead". However, people in this stage don't feel they need a financial counselor.

We talk about preventive counseling. We talk a lot about early warning signals. By the time you see them they are in severe problems. The level of sophistication of techniques of preventive counseling are in the Neanderthal stage. It is not just dispensing of information. One must change attitudes, make people act more wisely in the market. We haven't begun to do this; we haven't scratched the surface in developing techniques to do this. We all know it would be a lot easier, less painful, cheaper, if we could deal with it at that point.

I'd like to see much greater use of sensitivity training, group consciousness raising, T-groups combined with training in money management designed to prevent these problems.

We need much more experimentation along this line. We've relied on pedagogical anachronisms such as the pre-test, post-test, and other outdated concepts; but we've lost sight that we should be concerned not with dispensing information.

I hope that we can develop some of the innovative programs of the National Council of Consumer Credit; and perhaps some day, it may be a long way off, we'll see the Federal Government take some interest.

Right now most family financial counselors come from the credit industry. The counselor has to be able to relate to creditors and talk to them in their language or a symbol system they will understand. Academic training may be a little suspect in the field of financial counseling. And, salaries have been such that probably it wouldn't be attractive to someone coming out of college.

The National Foundation has been developing the accreditation system to inject more professionalization into it. I hope that the accreditation will be applicable to college programs.

Harold Pease:

> "Oh money, money, money, I am not necessarily one of those who think thee holy, but I often stop to wonder how thou canst go out so fast when thou comest in so slowly."

Now I suspect that all of us can identify with that quotation from Ogden Nash: But when the income goes out even faster, such as when a young couple wants to start out with everything brand new; or when the income comes in even slower, such as when a couple separates or gets divorced; then the normal problem of making ends meet, which we all experience, becomes an abnormal problem. And thus, you have a financial crisis.

I see and deal with such crises as the family financial counselor of the Pastoral Counseling Service of Greater Washington. We have the most active clinical center of its kind in the world; its services are made available through 24 centers in the greater metropolitan areas of Washington. The center's aim is to provide, under church auspices the greatest possible therapeutic services to the greatest number of persons at the lowest possible cost. These services are considered to be part of the historic ministry of the church; namely to enable persons to become whole and free in responsible ways. My role in this context as a financial counselor is to accept referrals from other therapists on the staff when financial problems are either presented by the client or uncovered by the therapist. That's how I get involved and the mechanics go something like this: First, the client must take the initiative to contact me after the therapist has suggested the referral. And this action strengthens their resolve to do something about the problem. Second, if married, both spouses must participate in the counseling. This frequently forces communication at a level less than screaming, on what has possibly been an explosive or touchy issue. Third, some advance preparation must be made. I ask each person to do the following: (1) Assemble all the financial data they can and put it in some kind of order - income, expenses, debts, savings, and so on. Interestingly enough, this frequently is the first time they've ever put all of this down in black and white at one time and sometimes it's the first time the other spouse finds out their actual income or the extent of their debts. (2) I ask them to write them down, what their present financial goals are. (3) I ask them to write down the dreams they entertain on occasion, which if they were to come true, would require some kind of financial planning. I ask husbands and wives to answer these last few questions independently, but they are then free to discuss them after they've completed answering them.

In the first session, I begin with these last few questions first. This gives me some idea of their values, their goals, and their life style. Then we proceed to go over the financial data which they've assembled, asking questions, clarifying items or amounts, inquiring about expenditures that may have been missed which is all too common, like birthdays, Christmas, and so forth.

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Once in awhile I'm able to complete the whole process in one session, but normally I like to think through the information gathered and think through several possible alternatives before getting together for a second and possibly a final session.

During that second session, "The-what-are-you-going-to-do-about-it-session", I usually try to offer several options they may try to pursue and then let them make the decision as to what they will really do. Then once they have pared their expenditures down to their income, or planned to increase their income to meet necessary expenditures, or sought relief from their creditors, I then help them develop a flexible spending plan which enables them to live within their means.

While a number of problems have been encountered, two stand out in my experience: excessive use of credit; and in a marriage, the total control of all financial matters by one spouse. While the solutions to these problems are obvious, it's not easy to change the way you've been doing things, even though you know they've gotten you into this particular mess. The support of the client's regular therapy in my particular situation makes it somewhat easier, I think. I do establish and maintain contact with the client's regular therapist after the first session. I don't like to walk into that first session with any preconceived ideas about the person or couple. Of the persons I see, approximately 50% are women, who are either in the process of separating or who have separated. Frequently, they were not involved in the household finances at all, except for shopping; and therefore, have not had any experience with financial management at all. I often assist these women in working through their financial needs before they have a separation agreement written up by their lawyer.

My basic approach to counseling persons in financial difficulties is to offer them encouragement. People with financial problems don't need to be scolded. They already know they have mismanaged things and mismanaged them badly. Thus, through encouragement, I hope to build their self-confidence and self-esteem. If I can do this and in the process help solve their immediate financial crisis, as well as teach them to manage their finances, I feel as if I have been successful.

The interesting thing that we're learning in our agency is that if a person or a couple experiences success in solving their financial crisis, their regular therapy progresses better. That says something about the impact that financial matters have on us, and certainly speaks to the whole systems concept.

In our videotape this morning, I particularly liked Mr. B's comment on dreaming. I believe helping people dream is one goal of counseling. I find it particularly helpful in financial counseling. It has been said that "Happy are those who dream dreams, and who are willing to work to make those dreams come true". As I hope you can tell, I find financial counseling both exciting and interesting as well as rewarding. For me, it's a form of ministry, a form of ministry to persons in need.

Marguerite Tollefson:

My program is a financial counseling service for low-income people. We have found that up until a few years ago, we did not have a consumer credit counseling service in this area. And this is a relatively new development. Many cities have this. Rhode Island recently through their office of Consumer Affairs, has begun to do financial counseling. The State government now has a whole division of financial counseling. So the states are getting in on the act. I think Rhode Island may be the first state that is actually financially supporting a good financial counseling service that meets the needs of the poor as well as the middle income. Now the Consumer Credit Counseling Service, which we have, has its office in D.C., and for a lot of poor people it really is not structured to meet their needs, at least for people in Montgomery County. They have to go down there, there is a waiting list, or there is from time to time, because they are overwhelmed. The people can't get down there at a certain time. There are lots of other characteristics of low-income people that made it necessary in 1967 to start a financial counseling service for low-income people, structured to meet their needs. In extension, we really struggle; we have very small staffs, very little money, to do something. But you know, necessity is the mother of invention. We learned a long time ago to tap volunteers, so that my program is very unique. It uses volunteers completely as financial counselors. We find that you can sit down and make a plan, a financial plan for a family, and it's just great, but it doesn't work. We specialize in low-income people who are failure-oriented. Middle-income people are more success-oriented. So what we try to do is combine a practical know-how. We find out what is important to the family. This is where we start our counseling: What are the values of this family? What are the standards of this family? I stress, in training counselors, that this is where you start. We do a lot of tender loving care in addition to the academic, educational approach. Financial counseling isn't that hard. All you have to do is match the income with the outgo. But, how do you do this? When is it important to you to smoke? How do you do this when it's important to buy rather than bring a bag lunch; therefore, spending $30-40 a month for lunches when your two-week income is $215 take-home. What is the value system?

Concerning the philosophy of this program, I feel very strongly about poor people. I wouldn't be in this job if I didn't. I feel that there needs to be a lot of external changes in conditions that are going to make things better for poor people. And I don't think this is going to come about unless we have a lot of ordinary people, voters, middle-income people, who understand what the problems are for the poor. So in training volunteers, we're able to give them an opportunity to work in a very effective way with low-income people. Therefore, they will learn about the problems of the poor and will be able to vote for things that will help change the external structure to improve conditions for poor people. We do have many volunteers who want to help, but they have to be taught how to help effectively. And this is a role that extension does, not only in Montgomery County, but all over the United States, I believe.

Our service is for low-income people only. We get referrals from many agencies. We have a legal aid service in Montgomery County that's run by lawyers and when they first started it, people went there for bankruptcy; they wanted to go bankrupt.

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This service learned that Extension specialists know about bankruptcy and began sending their clients to us. Contact was made with this service and we acted as consultants to them about bankruptcy procedure. Ordinary Bar Association lawyers in Montgomery County don't know about bankruptcy. There are two bankruptcy procedures - bankruptcy and the wage-earner's plan. We work on an informal wage-earner's plan.

The most unique features of our program are that our people are in crisis. In addition, they lack education common to middle-income folks. But everyone has a lack of information about money management. It's a pity, really, that you can get through school and know so little about something so important. We have 8 hours of initial training for our volunteers. We've developed a book of very practical helps - we call it the Guidebook - for our counselors. We have a Counselor's Advisory Committee which helps with problems which I have; determines policy; will work with new counselors on a kind of "buddy" system. We have counselors who are consultants. I have two legal consultants, two lawyers at the moment. I have a tax consultant; the manager of a large credit union who has given much training about how to deal with the world of credit. And I recently have a new consultant - a real estate consultant.

Perhaps you would like to know about the extent of our program. We're getting many more referrals recently because of the recession. We do screen the referrals. We make sure they understand the program, that they want it, that they are willing to meet with the counselor, both husband wife. We say, rule of thumb, once a week. When we get a family who is about to be evicted, or the gas is turned off, it's a lot more than once a week, at the beginning. You have to take care of these crises first, then you can begin the teaching process. When these poor people find out we don't have any money, they're not too interested. When they find out they have to change their way of living, that sort of turns them off. So, we do screen out people.

I did a study a year ago, and found out that we did have success with about 62.5% of those people we worked with. This is very good in view of the fact that a lot of people won't work with our poor people. Consumer Credit in Baltimore 8 years ago wouldn't take anybody with less than $6,000 income, because they said they didn't have any money anyway, so why take them. In one of the studies I did recently, I found that Consumer Credit Counseling was unable to work with 15 to 50%. There are just some people who don't have enough money, and they figure there's nothing they can do. Well, we take them anyway and pray a lot!

And it's amazing what can happen. We have had 76 placements in the fiscal year of 1975. Some of those placements are closed, so I can't tell you the percentage of success, but I suppose it's 60-70%. We have 46 counselors at this moment that are working with families; 17 are available. Because persons move out of Montgomery County, get sick, or go back to school, I have to be constantly retraining. When I began this program in 1967 and once got 50 people, I though I could quit training, but I have to keep training, fall and spring, all the time.

Robert Gibson:

The National Foundation for Consumer Credit is a non-profit organization that's been accorded a 501C3 tax-exempt status by Internal Revenue. This makes us a public foundation rather than a private foundation. The Board of Trustees, the Executive Committee, is composed of two elements: basically, credit grantors representing banking and retailing, credit bureau operations, collection agencies who are in the business of credit extension, collection or reporting. On the other hand, we have also as an important component of the national foundation, credit-using organisations, the AFL-CIO has long been a supporter of the organization and has been instrumental in some of the changes we have been implementing, particularly over the last 2 or 4 years. In addition to that, Family Service Association of America, Urban League, the NAACP, the Legal Aid and Defender Organizations, and other groups support the foundation. We have interesting meetings. We have labor contending with Sears Roebuck over Sears' policy regarding the credit mechanism. This was particularly true a few years ago when there was a lot of discussion about sex discrimination in credit granting and why won't Sears give a divorced gal a card in her own name; why does she have to reapply when a family's dissolved, things of that nature. But, growing out of this, some interesting things have happened to this whole field of consumer counseling.

We do today accept anyone regardless of income, we even accept people who are unemployed, and that's practically unheard of up until practically the last two years. But we have a function to perform for those persons. In the automotive field, particularly in Michigan right now, with unemployment running nearly over 1/4 of a million persons from the automotive field alone, we're inviting those people to come in with us, we sit down and budget with them,we plan the use of their unemployment checks, those that are still getting supplementary benefits checks, looking at the total picture, and then on their behalf identifying to their creditors what the extent of the problem is and indicating, in fact, that we'd like to ask for a moratorium on behalf of these unemployed persons. That we would send to the mortgage holder, the automotive paper holder, to department stores, installment cash-loan agencies, installment divisions of banks and others, that, in effect, because of the circumstances, we call this an "I letter", an information letter. We lay out the total family monthly income, we lay out their expenses, with their having disciplined themselves, making the sacrifices they've already made, and then indicating that the minute the family's back to work or back on a more realistic income basis, that these accounts will be picked up. Part of that's been necessitated because of some legislative proposals in Michigan. The Michigan Legislature has a bill in committee right now - it's the Michigan Credit Moratorium Act of 1975. Some members of the Michigan Legislature proposed for instance, that any family who is unemployed for a period of 90 days, need make no further credit payments of any kind; mortgage, automotive paper, secured or unsecured interests, personal notes or anything, until that family's been back to work for 90 days. Should this become law, you're going to see business bankruptcies mushroom in the state of Michigan. This is an unrealistic approach to the problem. We're encouraging our business members there and our labor supporters and family service agencies to take a look at this bill and to work on a voluntary basis of moratorium.

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Credit Counseling really is new. It's been alluded to here, and you'd think it's a big operation, but actually Credit Counseling operates today with many modifications. It didn't begin until 1956. And it began in Columbus, Ohio, as a commercial venture, initially. Economy-budget service, which is now Capital Finance Corporation, started this budget counseling service for two reasons: Their delinquencies and write-offs were mushrooming and they knew that people to whom they had made cash loans needed this kind of help in order to stabilize their financial situations. Then, in addition to that, they recognized there would be some additional new business in terms of loan consolidations; and they were able to do an effective job on loan consolidations.

In Phoenix, Arizona, two years later in 1958, the Family Services Association began this as a non-profit community venture. They organized about 95 volunteers to do the credit counseling for families. It was completely a volunteer operation, while they were United Way funded. And they saw this as a very needed part of the Family Service Agency's provision for family service. So, as counselors, they started their own program and it was quite different than the one that started in Columbus.

Just 10 years ago, 1964, there were only 14 Consumer Credit Counseling services in operation throughout the country. Today, there are 168 in operation. We've just opened up in Virginia. Until this past session of the Virginia Assembly, it was not possible to operate these counseling services in the Commonwealth. But successfully, in working with Labor, and with some consumer organizations in Northern Virginia, working with bankers and retailers and others in the Commonwealth, we persuaded the Legislature to change their bill. The bill had been designed as a full employment for attorneys. It provided that only attorneys could make modifications of contracts; and as a consequence, no agency, non-profit or other could practice this. However, we're now ready to open agencies in Virginia; we're waiting for guidelines from the state banking commission in terms of licensing procedures and things of that nature.

I think the thing that gave the National Foundation its interest and impetus occurred in 1967 when the Family Service Association of America authorized and undertook a major study. The study was done by Dr. Perry Hall. It's called Consumer Credit Counseling: An Emerging Community Service. It took the opportunity of looking at credit counseling services which were in existence in 1967, and examining them rather carefully. One was a family service agency, two of them were credit bureau operations, the other seven were freestanding, non-profit community groups. It examined them in detail, and the study itself made certain recommendations. They recommended that a national organization give leadership in nurture and support to the credit counseling movement. They urged that a board of directors of local counseling services be constituted in such a way that credit grantors be a minority of the board, rather than the majority.

As a consequence, within the last year, we have moved to make all of our affiliated counseling services structure their boards so that 60% are non-credit grantors and 40% are credit grantors. This gives a community flavor to it, and it takes away the sting of being accused of being a collection agency. We have been accused of being collection agencies. And some of our services, indeed, have been collection agencies and we're moving to get rid of them now. Any organization that cannot subscribe to our code of ethics, our standard of conduct, our operational procedures, will be disaffiliated from our national foundation. We've had to do that to four agencies this

week. We're taking a hard look at ourselves. We're going through a period of self-examination.

We are a community service agency, the credit granting community and the economy draws value from what we do. And the services are, by and large, supported by credit grantors in the community. We do it on the basis of return dollar of fair-share support program. The Washington service asks those who are receiving funds from the program to contribute about 15% of the dollars returned to them as a cost of doing business as a charitable contribution. However, the individual bank or retailer or consumer finance company wants to handle it. Baltimore, on the other hand, has a 10% charge; in some areas of the country, it's about 7%, and when we started off in Boston two years ago, it was 20%. But the percentage relates to what it costs to operate the agency. And if the service is doing a good job in the field of education, if they're doing a good job in terms of programs in housing development, in terms of inter-references with other services, educating people about food-stamp availability, about other agency help, and working with family services organizations and religious organizations and other groups, it's going to cost a little more than if they are merely doing budget counseling, and accepting and disbursing dollars. So we're encouraging the counselors to think about charing the creditors a little more than the 10% or the 7% and perhaps doing a better job within the community.

Reference was made to Herbert Denenberg who has written The Inflation Fighters' Handbook and Everybody Go Bankrupt which is one of the thorns in our side. He got national press coverage with his book. People who don't understand what's involved in bankruptcy might see this as a tremendous way of avoiding their obligations. Unfortunately, Mr. Denenberg either didn't know, or didn't have time, or chose to ignore what actually happens to people in bankruptcy. If you have a poor family, and they have no equity in a home, the repercussions are not serious as for a family who does have an equity in a home which might exceed state limitations, in which case your home must be sold. There's no choice. You can't go bankrupt and keep the home, if your equity in it exceeds the allowance by the state. The same is true if your grandmother had left you a sterling silver tea service, and it had been in your family for 40 generations. Nonetheless, it represents an asset. It can be sold, and those funds distributed among your creditors. Bankruptcy, the, has to be looked at at a last resort. In some cases we do recommend to families that they seek legal service. We don't tell them the form of legal service they might require. It might be a bankruptcy, it might be a Chapter 13 filing, it might be some other kind of legal assistance. But we have no reluctance to refer any family for legal assistance, if it's apparent that's what that family needs.

We're working now to upgrade and professionalize consumer credit counseling. We have been at work during the past year developing a certification program which would be based on approximately 1½ days of testing. We're going to use case studies, to have people indicate their ability to analyze family financial problem areas. We're going to ask them to indicate the kind of alternatives they see to offer the family. We're going to have some true or false. We feel that people who are going into counseling ought to know what fair credit reporting is and what's involved in it, truth-in-lending,

and other kinds of Federal and state laws that have been implemented. We're going to ask them to indicate their humanistic skills in terms of their warmth and feeling for families. We're going to ask them to indicate their skills in handling the mechanics of a pro-rated program, to indicate the limitations that banks work under, the limitations that consumer finance companies and others work under. We're in the process of testing an instrument, we hope that by September we will have a finalized instrument. And at our meeting in Dallas, Texas, the first week of October we hope to certify the first half dozen or dozen persons. At that time, materials will be available to family service groups, educational groups, any one else who would like to use them as part of an instructional program or use them as a reference section for their own libraries, or in whatever way would be appropriate. But that's what we're doing right now.

Virginia Miller:

I'm from Family Services of Prince George's County. Our agency does not offer a specific financial counseling service. We do a lot of counseling that has to do with money, because all of us would agree that money is one of the battle grounds of marriage. And money is one of the weapons that families use. Our counseling involves the whole spectrum of people. Our criterion is that you are eligible for services if you live, work, or go to school in Prince George's County. Consequently, by including those in school, we get a lot of University of Marland people not actually legal residents of the County in our counseling program. We work with individuals and with family groups. We have a special adolescent program; that is, a court-referral program. We have a family psychiatric program which is primarily funded by the Family's Insurance program; it's a self-supporting program as far as the total program goes. The primary clientele of that program are CHAMPUS military families.

We deal with families in stress. The first thing that we have to know as social workers is the "why now"? "Why are you here now"? It may be about money, or a money problem behind it, but it isn't necessarily involved with money. I don't have any statistics that indicate how many families really get to us initially around the problem of money management. Certainly it is a weapon with teen-agers — The parent withholding allowances; the parent overindulging. And you get all kinds of repercussions from that. Many of these families that we are dealing with in terms of adolescent counseling are already court-involved. So the problem is of fairly serious proportions. As a staff, we are psychiatric social workers. We are really dealing more, at this point, with the cause behind the intrapsychic reasons for poor money management. We are having to use Laureen Gibson's service, which is in Prince George's County, and the Extension Service for more direct counseling. A lot of us on the staff do. I can be working with a family over a six-month session, and maybe two of those sessions would be, "we're going to work on money", because this is what's come up now. But, it may not have been one of the paramount problems which surfaced early. But, you have to get some of the other problems under control; such as the kid back home, or the pregancy.

We are located in Prince George's County and are available as a service.

Presented at Workshop: Money Management in Counseling Situations, June 2-13 and July 7-11, 1975, College of Human Ecology, University of Maryland, College Park, Maryland

Barbara Tempkin:

What I do is not considered, formally, as financial counseling. We cooperate with Consumer Credit and with Extension Service. They're very valuable resources to us. I work with the Department of Social Services which set up a program about three years ago called the Local Service Emergency Shelter Program for families and adults. We call it Local Shelter. Basically, it was a request on the part of County Council to come up with a program to deal with the ever-increasing needs of residents who were being evicted, and basically, to provide emergency shelter for those who were evicted. But, the Department of Social Serices said, "Why don't we try to prevent these evictions"? and took this idea several steps further. So now, we have this Local Shelter Program. It is totally county-funded, which means it can serve any income level. And we serve anybody from the unemployed Engineer to the person on public assistance who can't pay their gas bill. Last year we received $46,000 in funds with which to work. Over the three-year period, we've served a total of 800 families. Surprisingly, the rate of recidivism is very low.

One thing that is very unique about our program is that we can actually provide money to people to resolve their crises. The program can pay back rent in cases of eviction. It can pay security deposits after a family has been evicted. It can pay for temporary shelter for a reasonable amount of time when we know it's going to resolve a crisis. It can pay for moving and storage; and it can also pay for home-owner repairs, when this is going to resolve a shelter crisis. Many times families will come in, well, all the time during crisis. They've gotten the eviction notice, they've got a 24-hour notice to vacate, and they come in and say "pay it, do it". And what we try to do is sit down and ask them "why?""How did this happen?" This is usually the first time they've sat down and looked at why it's happened. We ask them to show us what their earnings are, what their expenses are. It's amazing. This is often the first time the wife knows how much her husband makes; and vice versa.

Also, we try to determine the amount of time we have. If there is a 24-hour notice to vacate on the door, naturally we can't take too long. We've got to resolve the crisis right now, and hopefully, re-educate the person later on.

Basically, the only financial counseling we do is in terms of the application for money. Our application consists of going over what budget has been like and what their budget is going to be like in the future.. We try to use every resource available in order to help that family manage in the future. We've learned that having money is a very good incentive for change. Many times people will consent to budget counseling, if we have the time. We'll say, "Can a budget counselor go over this with you; see if there is any hope that you can get out of this? And then if things change, we can, possibly, pay your back rent, or we can turn on your gas, or we can do whatever we can." And a lot of times this gets the person going. A lot of times they may not be too thrilled about it to begin with, but with the promise of money there, this will start them.

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And hopefully, it will be a very educational experience and very rewarding for them. We hook in with other services in our own agency; for example, a person may come and be spending an enormous amount on food. We suggest very strongly they apply for food stamps. Many times they are eligible, and many times this would make them manage in the future. Or possibly the wife would be interested in doing day care in her home. This is something she might never have thought about. We request that she apply for a license and become a licensed day-care mother. So, we work both outside and within our own agency in order to help these people resolve their crises.

PRESENTATION AND GROUP DISCUSSION (notes)

How Can Educators Help People With Money Management

Dr. Don Johnston

The Creative Systems in Money Management Project carried out by the Department of Family and Community Development of the University of Maryland is partially sponsored through funds from the Institute of Life Insurance. The Chairman expressed appreciation for the support and asked Dr. Johnston to share with the group some of the other types of projects with which the Institute is involved.

The Institute of Life Insurance has several functions: Mass Communications, Research, Information, Educational Services and Teacher Education. Dr. Johnston explained that the current emphasis in the teacher education programs is in helping to develop new training models to promote more effective financial management. The programs being developed include Elementary, High School, Junior College levels; Some of the locations are Oregon, Temple, University of South Florida and UCLA. The Staff of the ILI have also worked with programs such as Interfaith Counseling, refresher courses for business people, participation in professional conferences and meetings.

Dr. Johnston suggested that many people do not know how to talk to each other about money. Educators have a prime opportunity to make this a part of their regular instruction; it may be easier in class rooms than in homes. Ned Flanders[1] has developed a system for determining degrees of directiveness and has been an influencial factor in helping educators develop trust.

Citing Carl Rogers'[2] work on developing a helping relationship, Dr. Johnston emphasized several of the points:

Open up the possibility of being "real"
Get into the client's problem, but don't be overwhelmed
Be non-judgmental

A judgmental stance may be problematic either way. When a person makes a positive judgment, he is, in effect, affirming his right to make a judgment.

A member of the group who is responsible for counseling bank employees when they have personal financial difficulties, said that he finds that individuals who are "sent to be counseled may feel very hostile". When he explained that the bank has such a program partly because they feel that an employee who is harassed by financial problems may be more easily tempted, another member of the audience commented that "being able to pay debts and dishonesty are two different things".

A major study of the American Family and Money has recently been funded and published.[3] Some of the findings which have special significance for educators are:

Families feel a deep and pervasive sense of economic insecurity.

The American family has shown great strength and adaptive capability in meeting the economic uncertainty and strain.

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On balance, individual family members express more confidence in their own ability to work and sacrifice than they do in the worsening recession or economic depression which most feel is likely to come. This has fostered a sense of "live only for today" in many.

54% of families argue about money. Arguments often cover many topics, although current quarrels focus more narrowly on the need to economize, to stop wasting money, to meet unpaid bills and on the failure to keep track of where the money goes.

One of the ways to help people increase their power is through financial planning. We need to look for new and effective ways to help people feel and internalize constructive attitudes about money so that they can be in a better position to head off crisis.

References

1. see Amidon, Edmund Interaction Analysis: Theory Research and Application. Reading, Mass. Addison-Wesley Pub. Co. 1967.

2. Rogers, Carl On Becoming a Person. Boston, Houghton-Miffler Co. 1961.

3. Yankelovich, Daniel, et al. The General Mills American Family Report, 1974-75. Minneapolis, Minnesota, 1975.

Process Learning

From Educators:

> Process skills are those which have an element of ongoingness about them. Their relevancy and applicability to a wide range of situations mean that learning of them involves two dimensions:
> (1) the opportunity to experience the use of the skill in a wide variety of contexts, and (2) the chance to verbalize the meaning of the skill so an interplay can exist between the logical and the intuitive. In other words, although process skills are ordinarily called into play spontaneously, the individual should have the tools at his command to go back and analyze what may have transpired through more or less intuitive judgment. By so doing, the person can behave in different or possibly more adequate ways in future situations which are somewhat similar. Berman 1968 pp 10-11.

> The ability to think--to cope with problems, to seek information and uncertainty, and to process information in new and meaningful ways--is learned. Schroder, Karlins, Phares. 1973 vii-viii

From Home Management:

> Managerial processes vary little even in crises, although one process or another may be emphasized in a given situation. War, depressions, prosperity, personal catastrophe come and go. With them come increases or decreases in resources or in the demands upon these resources and changes in family goals. The choice of goals, the planning of what to do with the changed resources, the implementation of the plans, and the evaluation of the outcomes go on.
>
> In normal changes, process is again central. As the family life cycle unfolds, the thoughtful family adapts its goals and expects changes in the amounts of resources. Yet the processes of problem solving and management provide an approach to meeting the different pressures of the various stages. Gross, Crandall and Knoll, 1973, p 25.

From Systems Science:

> Since all human behavior can be viewed as an unending sequence of cycles, there is always a certain arbitrariness about where one breaks into it. And not only may the cycle start in any of the DSE systems, (detector, selector, effector), but it may also go back and forth in highly unpredictable ways; an urge, a little information gathered, a modification of the goal, a partial effectuation, a reassessment of the situation, a second goal modification, a temporary abandonment, and so on. Kuhn, 1974, p 31.

Many of the activities of the workshop were designed to emphasize process and to help participants become more sensitive to processes including managerial processes, interpersonal communications and change.

Churaman suggested key processes for understanding family action systems. Harries added insight into the biological basis of information processing and clarified the interaction between the individual and his environment. Presentations by resource speakers focused on "how the system works"; discussions frequently turned to such questions as "how do we help families develop ongoing behaviors that enable them to interact effectively with "the system?"

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Berman, Louise M. New Priorities in the Curriculum, Columbus, Ohio. Charles E. Merrill Pub. Co. 1968.

Schroder, Harold, Marvin Karlins, Jacqueline O Phares. Education for Freedom, New York, John Wiley and Sons, Inc., 1973.

Gross, Irma H. Elizabeth W. Crandall and Marjorie Knoll. Management for Modern Families (third ed.) New York, Appleton-Century-Crofts, 1973.

Kuhn, Alfred. The Logic of Social Systems. San Francisco, Jossey Bass, 1974.

Case Studies

One of the major methods employed throughout the first two weeks of the workshop was intensive study of three families, selected to reveal differences in family composition and stage of life cycle. Each case study was presented for the entire class; following this each student concentrated on one case. The purposes to be achieved through a series of activities based on the case studies were:

To provide concrete examples of family money management in a community context so that students could have the experience of applying system analysis to view the family in a holistic way.

To create shared experiences within the workshop

To set the stage for applying information-processing concepts by providing for both verbal and non-verbal stimuli

To simulate the real-life demands placed on a counselor, namely;

1. putting himself in the role of family members
2. analysis of overall management and its effects
3. validating information and filling information gaps important to problem solving
4. seeking and checking out community resources with which he is not familiar
5. synthesis of information
6. developing a rationale and sequence for working with a particular family

It will be noted that the actual contact between students and family members were not considered or portrayed as counseling. Any practice at counseling was done through role playing within the task force groups.

There was an understanding with the family members that their input was important to the learning experience of workshop members, that they would be reimbursed for their time in making the class presentation, and that written material growing out of the workshop would remain anonymous.

It was also important to the purposes of this workshop that students gain insight into both effective management experience of families and crisis situations. (In financial management it may require considerable background work on the part of the counselor to assess whether or not the course a family is taking should be questioned. It may be critically important to check out any rule-of-thumb for specific cases).

For further explanation of how case studies were used see page 39.

The material which follows is the PRODUCT of three task force groups working from the general outline provided in the HANDOUT: Activities and Due Dates (see page 166).

At the close of each case study will be found some explanatory notes and critique by the workshop directors.

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CASE STUDY: Young Family

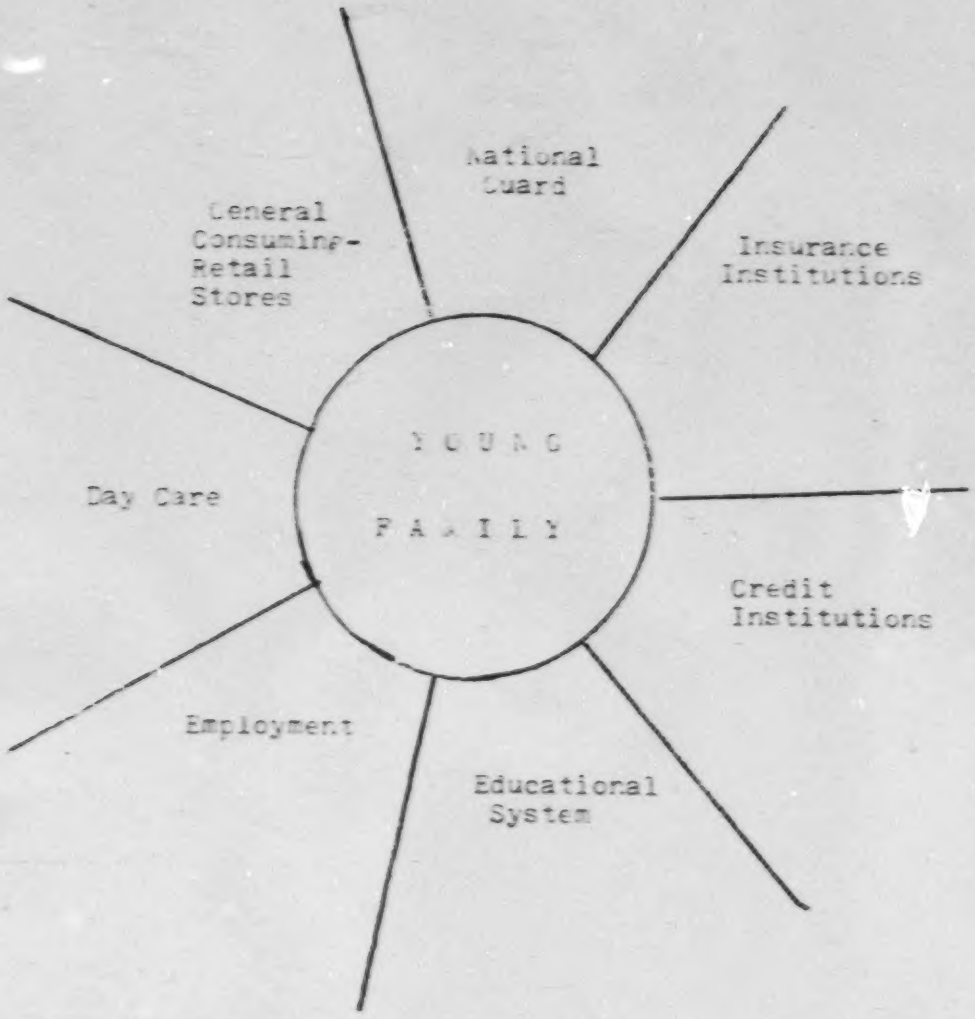
Pam, Jim and Wes

Task Force Report

Introduction and background
Family System
Budget
Counseling
Critique

Task Force
Beth Tabisz
Fareeda Afzal

The Family - Its Adjacent Systems and Interfaces



Adjacent System	Interfaces
Educational System	Pam and Jim
Employment	Pam and Jim
Retail Stores	Pam and Jim
Day Care	Pam and Wes
National Guard	Jim
Insurance Institutions	Pam and/or Jim
Credit Institutions	Pam and/or Jim

INTRODUCTION AND BACKGROUND

Our young family case study is Jim and Pam and their three year old son, Wes. They have been married for eight years and presently live in an apartment in Laurel, Md. Both are employed, Jim is in Civil Service and works about a ½ hour drive from where they live. In May 1975 Pam received her B.S. in textiles and designing. While going to school she worked part time at a bank; since she was not able to get a job in her own field, she took the secretarial job. Jim is going to school part time. The government pays 2/3 of his education fee, Pam and Jim pay the remaining 1/3. He is majoring and working for his Masters degree in computer science. They hire a babysitter for the time that they work.

As a family goes through the various stages of the family life cycle, goals will change. Most families aim at an increasingly higher standard of living as the years pass. With greater affluence and productivity young families now aim at that higher standard of living sooner, as Dr. Rubin mentioned in his lecture. To help achieve this, there is a trend among middle-income parents to continue to provide funds for their children either for schooling or maintaining a home.

In the case of Pam and Jim, hand-me-down furniture was provided by their parents. They paid for their schooling themselves and feel a great sense of satisfaction for having been able to do so.

It is important that the young husband and wife work out an agreement on their aims in many fields of spending. This can avoid potential conflict at a later stage. The relationship established at this stage will determine the quality of future family relationships.

Pam and Jim plan their major goals and allocation of resources together. The day-to-day expenses and decisions are made primarily by Pam with Jim's consent.

At this point, their primary goal is to be able to buy a house; thus, they are saving for it. Pam says she is greatly satisfied with their present consumer credit situation, because they have not incurred debt and are able to pay their bills. Yet, she feels frustrated at their financial situation, which she owes to inflation. She says that even though their income has increased, their standard of living has not. For example, laundry used to cost 35¢ but has now increased to 40¢ per washing load.

FAMILY SYSTEM

The family, as individuals, and as a unit or system, interact with the depicted adjacent systems in varying degrees of need and importance making up the larger environment.

Jim and Pam both act as interfaces between the family system and their adjacent systems; however, the areas in which they do so may differ. (see opposite page).

When looking at a whole system which provides demands and resources for the managerial subsystem, we find the following application of each step to this young family.

INPUT

Demands are needs of the family at a particular time

Events - a vacation, trip, birthdays, feast days, church events, doctor, weddings, repairs (Editors note: Text includes only "unexpected" as events)

Requirements - rent payments, insurance premiums, food, child care, utilities (gas, electricity, telephone), fuel for the car, laundry and dry cleaners, officers mess fees, church dues, mooring of boat (if they decide to keep it)

Expectations - for them to buy a house; for Jim to complete his education; Pam to get a job in her own field; for both to be able to spend more time with their son; raise their level of living; increase recreation

Priorities of Expectations - 1) house, 2) raise level of living, 3) Pam - job in her field; Jim - get M.S., 4) spend more time with their son, 5) have more recreation

Human Resources - abilities, skills, Pam sews, Jim does the maintenance of their car, he does the repair jobs, Pam cooks, her education in textiles and designing is a contributing factor to housekeeping

Material Resources - magazines, books, newspapers, income, savings account interest and savings, investments, assets (car, furniture, boat)

THROUGHPUT (Deciding the use and/or allocation of resources)

Both Jim and Pam Set Standards and make decisions together. The daily household decisions and financial transactions are carried out by Pam with Jim's agreement.

Action Sequencing is an order among or within tasks (e.g. what is to be done first - arranging tasks in order of importance). For example, paying the bills for fixed expenses may be more important than another task.

Plan - The budget, reflecting the family's standards and sequences, will be discussed in detail later on.

Facilitators - Pam and Jim's attitudes toward each other and the family system are good, thus facilitating tasks.

Implementing - controlling and facilitating

Controlling the implementation of the plan with regard to goals, resources, etc. to assure that it will be done.

Adjusting - the plan for the next six months as compared to the last year and one half has been adjusted considering their goals.

Checking - checking alongside the operation of a plan and also after they have carried it out for a period of time to see if, in fact, they are nearing their goals.

OUTPUT

Met Demands are the psychosocial and emotional satisfaction due to non-debtedness and being able, in spite of inflation, to achieve a number of demands, e.g. sewing.

Used Resources are insurance, savings resulting in economic security, and rent resulting in physical (space) security.

Feedback - Savings is more money which may be used as input, under particular circumstances. Feedback is the information gained through having carried out a proposed budget which would serve as input in further planning, adjusting, etc. considering goals, values, and standards.

BUDGET

First let us see where our young family stands financially according to other families. From a graph in Deacon and Firebaugh[3] we find, The median gross income, for white families with both husband and wife working, is $13,025. Pam and Jim's take-home income last year was $11,350 and the anticipated take-home income for this year is $13,220. In other words, income-wise Pam and Jim are slightly higher than many other American families.

Now let's take a look at their specific budget for 1975 (see next page), particularly the 1975 percentages, and compare the percents with an intermediate budget from U. S. Bureau of Labor Statistics.[1] While comparing these two budgets one must keep in mind that Pam and Jim have only one pre-school child while the Labor Statistics budget is for a four-person family with older children. Also the percents are figured from a gross income instead of take-home income; so we have determined the percent with taxes, social security, and disability benefits left out.

Housing - Pam and Jim are spending about 22% of their income on housing, utilities, and renters'insurance while the statistics show an intermediate budget family putting 29% more of their budget toward housing.

Food - They are only spending 12% on food as compared to U. S. Statistics for an intermediate family of 28%; One finds that they are spending less than the low income budget on food which appears in Spring 1975 Family Economics Review.

Personal Improvement, Recreation, and Entertainment - Pam and Jim spend nearly twice as much (11%) as the national statistics (7%) for personal improvement (including magazines, books, education), recreation, entertainment, and whatever babysitting services necessary to carry out these activities. One constant fee covered under recreation is the mooring fee for a sailboat they own, which is docked in Annapolis. One must remember that much of their personal improvement percentage is due to paying tuition and other school fees. Pam's tuition and school fees were paid by her and Jim. However, Jim's graduate work will be paid 1/3 by him and 2/3 by his employer, the Government. This assistance greatly cuts down the amount to be spent in this area for the second half of 1975. Magazines and books are classified under personal improvement.

Budget Worksheet: THE YOUNG FAMILY - Pam, Jim, & Wes

Current Expenditures	1974 $	1974 %	Projected for 1st 6 mos 1975 $	Projected for 2nd 6 mos 1975 $	1975 %
Housing	2247.00	19.8	1189.50	1189.50	18.0
Utilities	440.00	3.9	242.00	269.00	3.8
Food	1040.00	9.2	780.00	780.00	11.8
Recreation & Entertainment*	480.00	4.2	290.00	390.00	5.1
Automobile & Transportation	1092.45	9.6	404.72	587.52	7.5
Medical (Group Insurance is not included)	280.00	2.5	75.00	75.00	1.1
Family Necessities*	1443.70	12.7	813.85	813.85	12.3
Clothing	325.00	2.9	175.00	175.00	2.6
Personal Improvement, Education	1060.75	9.3	661.59	130.84	6.0
Savings	451.71	4.0	1582.00	1321.71	21.9
Church, Gifts, Charity	660.00	5.8	285.00	375.00	5.0
Life Insurance	553.92	4.9	276.96	276.96	4.1
Repairs	0.00	0.0	0.00	0.00	0.0
Contingencies	0.00	0.0	30.00	30.00	0.4
Other	1285.57	11.3	0.00	0.00	0.0
Combined Income (take) (home)**	$11,350.00	100.0	5,475.00	7,745.00 $13,220.00	100.0

* Baby sitting for recreation is included under Recreation. Baby sitting for work is included under Necessities.

Editors note: Pam worked extra time when unexpected expenses occurred. The budget amounts in Savings, Contingencies, and other should be reported in same way 1974 and 1975 for clarity. This is explained in text.

This young family receives: Newsweek, Christian Science Monitor, American Home, Consumer Reports, Playboy, and books from a book-of-the-month club. Pam considers Consumer Reports her "bible", going by its recommendations constantly.

Transportation - Jim has cut their transportation by 1/4 of the National Statistics by buying a car and keeping it after it's paid off and doing his own work on the car. The transportation section does cover any tools or materials necessary to tend to the car, car insurance, tags, car payments, and gasoline.

Medical - Jim has group high-option Blue-Cross and Blue-Shield for the family. The premiums are taken out of his paycheck before he gets his take-home pay and so is not included in the medical percentage. Since Pam, Jim, and Wes have been in very good health and carry the high-option medical insurance they only use 1.1% of their take-home pay for medical bills while the typical U. S. family puts 7% of their take-home budget to medical fees and bills.

Family Necessities and Clothing - Included under this category is the babysitter needed in order for both Pam and Jim to work. If they both want and/or need to work, a babysitter is a family necessity for their family. The babysitter accounts for 80% of the money alloted for Family Necessities. The other 20% of Family Necessities covers the barber, the beauty shop, laundry, dry cleaning, stationery, and postage. Excluding the babysitter who accounts for 80% of the total Family Necessities, there is really only 5% of this young family's budget allotted for Family Necessities and Clothing. This 5% is well below the national average of 13%.

Church, Gifts, Charity, Life Insurance, Repairs, Contingency -

Pam and Jim spend more on this area (9%) than the average family (who spends 6% of their budget). They feel the security of being well-insured with life insurance is of utmost importance. Each of them has a $25,000 policy. Jim also has two National Guard policies to cover his death while on duty. Pam and Jim allocate 5% of their income for charity; feeling it's not a question of whether they should give or not, it's only a question of how much. Repairs have been and plan to be 0% since most of their appliances are fairly new and they rent an apartment. Contingency also covers the fee for the National Guard officers' mess.

This above budget is what Pam and Jim have spent and plan to spend for the remainder of 1975. If they keep within this plan they will be able to save 21.9% of their take-home income or $2,903.71. From reviewing Troelstrup,[9] Fargis,[4] and Lasser[6] one finds that having savings built into a budget is an essential part of making the budget and that it is also very important to build up an emergency fund. Lasser Tax Institute specifically states not only that savings should be an integral part of the program but that "Putting at least 10 percent of take-home pay into savings each pay day establishes the savings habit." Pam and Jim's 21.9% savings serves both for long term future plans and a short-term emergency fund. One must remember that this family's income until July, 1975, was not completely constant. If they felt they needed a little extra money, Pam would work more hours at her part-time job at the bank.

Pam and Jim use little credit. They do have Hecht Company and Montgomery Wards' charge cards. The Hecht Company bills get paid immediately or within one or two months; however, the Montgomery Wards' charge account is very seldom totally clear. Mostly, Pam just pays $25 per month toward the account. The Hecht Company charge card is used mainly for clothing while the Montgomery Wards' charge card is used for a variety of items, including automotive parts and tools. Pam watches her charge accounts carefully so they do not mount up. She says they stagger buying clothing (especially winter coats), so that one year Pam buys a new coat and the next year Jim does. In this way there is no huge expense one year and none the next.

We believe that since Jim does his own maintenance he probably has the car in very good conditon. If he keeps it in good condition, it will last for more than five years. Because of this and their goal to purchase a house, they are willing to pass up the American dream of getting a new car every one to five years and continue driving an older car.

Jim and Pam's basic problem is much the same as any other young married couple - they would like to start off with the same standard of living their parents had when each of them lived with their parents. Inflation has hit this young couple extremely hard. Pam complains: "Several years ago we were making less money than now; and now we're making more money and still on the same standard of living. We haven't been able to move up at all; and after eight years of marriage we should at least be able to get a house".. This is the problem which would be brought to a counseling setting.

COUNSELING

In counseling this couple, we would use an empathic, client-centered approach leading eventually, to having the client specifically state his budget. From this we might show them exactly how much they're spending and saving and compare this with the national median ($ 13,025) to give them a feel for where they stand compared to other young families. Mork and Magrabi[8] explain the problem like this, "Families in the United States have come to accept a rising level of consumption as normal. Thus, they come to feel, with some justification, that they are not maintaining their level of living if their consumption does not rise in the same degree as their neighbors! It is easy for families who are experiencing budgeting problems to lay the blame on higher prices. Three kinds of action a family might take include increasing its income, reducing its scale of living, or adjusting its budget by decreasing spending on some items to compensate for necessary increases in other items". The young family is increasing their income by planning for Pam to take a full-time job; and, they will be living on a low budget. If they do as they plan in their budget, they will be allowing for 21.9% of their take-home pay to be set aside for the house and emergencies (if and when they arise). We would encourage Pam and Jim by showing them these points; in this way they could feel better about themselves and so have "faith" enough to keep on with a low-income budget. We would also explain that in order to meet the monthly payments, the payments should be no more than one week's pay. We would also advise them that in about two to three years, they should have sufficient savings to begin buying a house. Also, if they have savings they could put a down payment on the house and would not have to pay as much for it later on.

We would also discuss the boat and whether it is worth-while to keep it. Since Wes is so young, they are hesitant to take him on the boat; and consequently they don't do sailing often. We would discuss the following areas: 1) the value of the boat vs the time they use it; 2) after they get a house there will be no more need for the mooring fee, since they can keep it in their own yard; 3) the possibility of selling the boat and renting a boat when they want to go boating; and 4) if they sold the boat and later bought another boat - is it worth the money?

There are no agencies which we could find to help the middle-income family with problems like these. Prince Georges' County Home Economics Cooperative Extension Service will help a person, only on an individual basis to set up a budget and guide them in money management. The United States Department of Agriculture puts out a free pamphlet, Selecting and Financing a Home,[10] which helps a person determine if and when they are able to purchase a home and how to go about looking for a home. The Public Broadcasting Station's Consumer Survival Kit Home Buying[2] is another resource for them.

1. Bailard, Thomas E., David L. Biehl, and Ronald W. Kaiser. Personal Money Management. Chicago: Science Research Associates, Inc., 1973.

2. Consumer Survival Kit. Home Buying. Owings Mills, Maryland: Consumer Survival Kit.

3. Deacon, Ruth E. and Firebaugh, Francille M. Home Management: Context and Concepts. Hopewell, New Jersey: Houghton Mifflin Company, 1975.

4. Fargis, Paul, editor. The Consumer's Handbook. New York: Hawthorn Books, Inc., 1967.

5. Feldman, Frances Lomas. The Family in a Money World. New York: Family Service Association of America, 1957.

6. Lasser Tax Institute. Managing Your Family Finances. New York: Doubleday and Company, Inc., 1973.

7. Margolius, Sidney. The New Adult Guide to Independent Living. New York: The Macmillan Company, 1968.

8. Mork, Lucile F. and Magrabi, Frances M. "What Price Increases Mean for Families," Family Economics Review, Winter 1974, 5.

9. Troelstrup, Arch W. The Consumer in American Society. New York: McGraw-Hill Book Company, 1970.

10. United States Department of Agriculture. Selecting and Financing a Home. Washington, D.C.: United States Government Printing Office, 1970.

CRITIQUE

The introduction might distinguish the given facts of the case study from the general observations and advice for young families.

It is useful to make two headings to identify the material resources as: money and other assets for the reason that one is forced to work only with the money in most stages of budgeting and in resolution of such problems as debt. When one thinks of the other material assets in connection with debt resolution they are viewed in terms of their liquidity into money or in terms of using them in making some other type of transaction based on a money value. The counselor might help families see their other material resources as evidence of past success in managing, as having a sparing effect on their need for money, as part of their standard of living to be considered when making further purchases, or as something which might be sold.

Some comments on the comparison between this family's spending plan and the Bureau of Labor Statistics Urban Family budget[1] are in order. The counselor might be aware that these budgets are continually being updated, so that the latest available figures are used[2], or that some recognition is given to the fact that the cost of living index goes up at different rates for different spending categories.

A method for getting simplified guidelines for comparison of the needs of families on basis of family composition (age and sex of each member) is found in the Equivalency Scale[3]. It certainly raises many questions when we compare a budget for a family including children ages 8 and 13 with a family with one pre-school child. "Note too that the BLS budget is for laborer, not professional, family".
Effective use is made of the system analysis.

The original task force report included copies of Median Family Income by Race, Husband only and Husband and Wife working[4] and of Typical Expenses for a Four Person Urban American Family[5] and a "pie graph budget" showing allocations for this family. These were useful in presentation of the report, but have not been included here.

The discussion of counseling approach recognizes some potential issues which might arise in this family's money management decisions, but does not indicate who you would work with or how you might go about it.

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Charlotte Churaman

CASE STUDY: Single Parent Family

Nancy and her son, John

Task Force Report

- Background
- Introduction -- Women Single Parents
- Overview Questions
- Counseling Approach and Family Systems Analysis
  - Education
  - Employment
  - Resources
- Summary of Counseling Statement and/or Technique

Critique

Task Force:
Bettie Collins
M. Elizabeth Roberts
Debra K. Barber

BACKGROUND

Nancy, a divorcee, is 35 years old and lives with her son in a 2 bedroom apartment in Landover Hills. John, her son, is 7 years old. Their home is about 15 minutes commuting time to John's private school and to her last job, directing a child center. She has been separated from her husband, who was an Air Force Officer, for 5 years and claims to have neither contact with him nor financial support from him or his family. She says she receives no help from her family either.

Nancy received her B.S. in elementary education plus 15 hours in reading specialist training in North Carolina. While her husband was in the service she taught in military schools in the United States and in Okinawa for 4 years. When he returned to the states to enter the Law School at American University, she began teaching in public elementary schools in Maryland.

Besides those 5 years of public school teaching, she has worked as a typist for TERPS at the University of Maryland; worked for the Menninger Clinic in Kansas, and has done free-lance research work. Although she is a skilled seamstress and has studied piano for 8 years, she has used neither as an income earning skill.

During the years of her marriage she acquired quality home furnishings that continue to sustain her middle income lifestyle. Her son's room is furnished with hand-me-downs. She is paying for a 1973 Pinto, "the cheapest model there is", because her old VW "died" on the Beltway.

Because the child care center she directed closed down for lack of funds at the end of 1974, she has been on unemployment compensation payments during 1975. She receives $74 weekly for herself and $3 a week for her son. Her entitlement to these funds will stop in August. If she is unable to find a job before that time, she will have to apply for "welfare" which will pay them only $148 a month.

Nancy's first priority is to find a job. Yet the salaries she has been offered for jobs that were open would be too meager to support her family. As a measure of comparison, she grossed $11,066 and at the child care center she was earning $9,620 annually. She believes she will have to gross $10,000 in order to make ends meet.

Her second goal is to keep her son in a cooperative, private school in Greenbelt. Parental participation is required. "They learn at their own speed and there's no such thing as categorizing a child according to age. The lower division has 20 children who are 5 through 8 and the upper division has 10 children, 9 through 12. These children mingle all day long." Tuition is $85 a month. With her 1973 tax refund, Nancy paid off his debt for 1973-74 tuition, but now she owes most of the cost for 1974-75. She taught as a substitute at his school for three days and returned her earnings to the school. Also, now that her income is less than $5,000, he is on half tuition of $43 a month.

Another goal: she would like to move from her present apartment house to one that is cheaper and in a less dangerous neighborhood. "It's just gone downhill in the 4½ years I have lived here. So it's not a healthy place to raise a child." She has applied for a 2 bedroom apartment in a development

in Greenbelt, but vacancies do not seem to occur. These apartments cost $165 a month, plus electricity, making a total of approximately $190 a month. Living there would put them nearer to John's school. There is a swimming pool at this apartment, but it belongs to the community of Greenbelt, so its cost is met otherwise than through the rent.

Nancy's current expenditures are greater than her income from unemployment compensation. Since March 10, she has received $25 weekly, irregularly, for some research work for a nearby university. (This amount is the maximum she can receive without jeopardizing her unemployment compensation.) In addition, she has sold a few items of her own clothing for funds.

The expenditures she has reported are as follows:

Rent	$225.00
Telephone (basic rate)	10.20
Transportation	
Car Payment	48.11
Gasoline	25.00
Insurance (paid quarterly)	14.60
Clothing	5.00
John's corrective shoes	
Laundry	5.00
Food	75.00
(with $50, she purchases $85 worth of food stamps)	
Medical care	7.00
Tuition for son's school	43.20
Charges for checking account	1.50
Total	$459.61

Nancy has not listed the annual expense of automobile license tags nor maintenance on the car which she has neglected since January.

She does have debts:

— her son's tuition to private school, $165
— annual checkup by gynecologist for Nancy
— annual checkup for John
-- John's visit to the ophthamologist $ 83

Besides, there are expenditures that should be made, but she is unable to meet: maintenance of the car, three fillings needed in John's teeth, his next pair of corrective shoes, glasses for John, not to mention the lack of health or life insurance.

Luckily, both Nancy and John have been in good health, but even so, expenses have occurred. Two weeks ago, John complained that one eye hurt. From the resulting visit to the ophthamologist they learned that John is extremely far-sighted and that he must have glasses. He did have a little infection that caused the pain. One happy result of the visit was that Nancy was reassured that John does not have glaucoma contrary to a diagnosis he had four years ago. Yet, there now is an unpaid examination fee plus the expenditure for a pair of glasses facing Nancy.

When Nancy's employment ceased at the end of December, 1974, and before the unemployment compensation checks began, she received $128 from "welfare" plus a Medicaid card, valid for 3 months. Since she was aware that the Medicaid card would not be renewed when she was receiving unemployment compensation, she rushed to use it while it was valid. She found, however, that the gynecologist and the dentist where she and her son went for annual checkups would not accept the card for payment. Both objected to the paperwork involved and indicated that they would not receive the full amount they customarily charge their patients. The dentist finally acquiesced to her request only if Nancy would get the forms for him. But he would not put the fillings on that bill; hence, she did not have the fillings done for John. From the nurse in the gynecologist's office, she learned that that physician would rather have no payment than bother with the forms for Medicaid.

INTRODUCTION

Women Single Parents

In the United States today, over 3.5 million families with children are headed by a single parent. Over 85 percent of these parents are women.

A woman may become a single parent by one of several circumstances:

1. bearing children out of wedlock
2. becoming separated or divorced
3. becoming widowed

The four major areas of family functioning for a single parent are:

1. Economic function - The family must obtain enough money, goods and services to provide for survival.

   Divorce and poverty are intimately related. The poorer the family, the more likely the parents are to divorce.

   The adverse affects of poverty on marital stability are even greater than the divorce statistics indicate, since poor people often separate without obtaining a costly divorce.

2. Authority - The family interest must be represented to those outside it and the person representing the family must also be acknowledged by the others.

   Power for decision making within the family must also be allocated.

   Men are accorded the right to be "head of the household". Mothers and children are expected to be under the protection of, and dependent upon, the man of the family. It is legally impossible for a woman to head the family if the husband is present, regardless of her relative income, power or status. The loss of a father leaves the family without status, organization and power.

3. Domestic functions - The household must provide for physical safety and emotional well-being.

   Two major domestic tasks that have to be performed are housekeeping and child care. American social structure tend to require that these be full time jobs of a wife. Work is organized on the assumption of a male worker with a wife at home.

   Housework and child care must be performed whether the single parent is a man or a woman. However, the same outside supports may not exist for both sexes. In Washington, D.C., the Welfare Department at one time provided free homemaker services to a single father, but permitted equal services to a single mother only if she were mentally incompetent, chronically ill, or physically disabled.

4. Support - Family members need to give and receive a certain amount of caring and involvement toward one another and usually require support from persons outside the family.

Between 1955-1973 the number of families in the U.S. headed by a woman increased by 56 percent, from 4.2 million in 1955 to 6.6 million in 1973. White women in 1973 made up 71 percent of all female family heads while black women comprised 28 percent of female heads. As a proportion, white female heads in 1973 was 10 percent while black families with female heads represented 35 percent of all balck families.

OVERVIEW QUESTIONS

A. Describe the case family's money management technique.

We felt that Nancy did not have a problem with managing the money she had available; she has a financial problem with obtaining money to manage.

B. Identify the nature of the case family's use of credit and their timing of purchases.

Nancy had limited use of credit. She only used credit when absolutely "backed up against the wall" with purchase of car, delaying payment of doctor bills, and delaying payment of tuition for son's private school. She staunchly stated that she did not believe in credit.

C. Examine the effects of inflation on this family.

The effect of inflation on Nancy is disaster. Her rent went up $10 and will go up another $10 in August. Food cost is continuing to rise which already pinches her limited income. She is not really able to afford clothing. She contended that she had not bought clothing for 5 years. Her son's corrective shoes have increased to $20. Gas needed for transportation is soaring. Inflation is causing Nancy to sink lower and lower into poverty and frustration.

COUNSELING

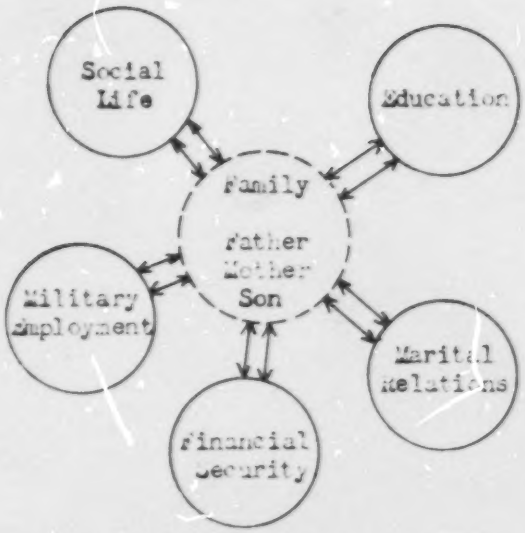
In order to counsel Nancy, we focused on what we considered the three main sub-systems that directly influence Nancy and her present problem. These were:

Employment
Education
Community Resources

Each member of the task force took a particular sub-system to contribute.

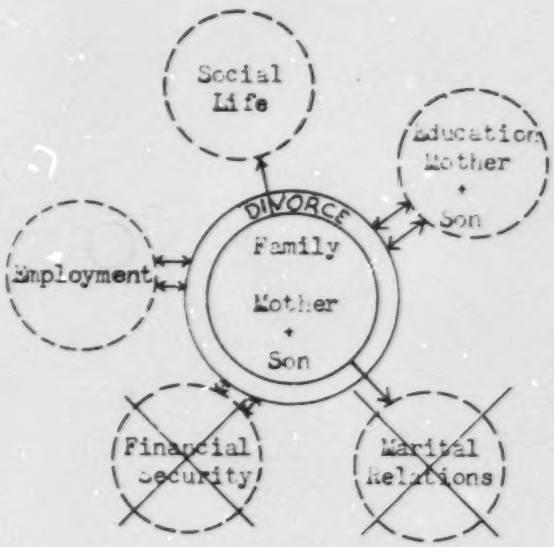
On the following page is a graphic representation of the evolutionary stages of Nancy's Family System from which the interrelationships of the sub-systems can be seen.

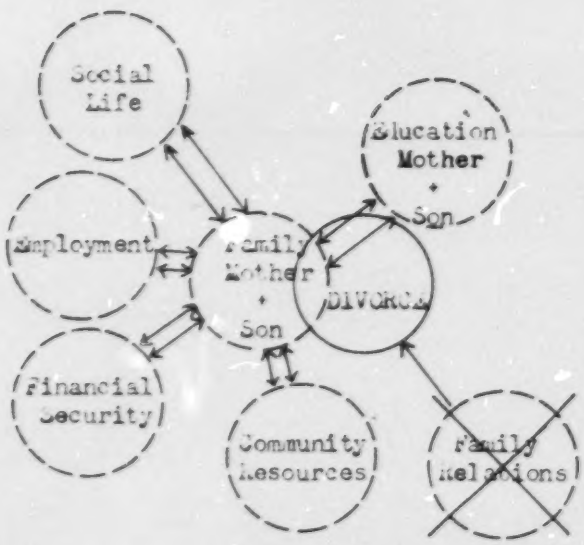
Nancy's Family System



The Beginning.--The suprasystem is shown with a nucleus being the family of mother, father and son. The broken lines indicate an open system with interface. All the sub-systems seemed to be well-balanced with arrows showing the input and output interaction with the basic sub-systems. We chose military employment, social life, education, financial security, and marital relations as the adjacent systems with prevalent influences in the lives of the family.

Enter the Divorce.--We show how divorce has entered as a psychosocial sub-system which causes the nucleus to change to a family of mother and son. As a reactionary measure the family becomes a closed system; hence, boundaries appear as solid lines around the nuclear circle. The interdependence of systems is shown by the disintegration of financial security and of marital relations.





Now. -- Nancy wants a closed family system with few interfaces. Yet she must depend on her education for employment and she values John's education in a private school; hence, it is enlarged. Near the family nucleus are community resources, employment and financial security necessary to her rehabilitation. Social Life remains as before, but may enlarge as she makes more contacts with people. Divorce is moved away from the nucleus to reduce its smothering effect.

EDUCATION

Female family heads today are better educated than in the past.

HANDOUT
(Census data)

Years of School Completed by Female Family Heads

Women who were female heads in 1973 had higher levels of education attainment than those who were heads in 1960. About one-half of all female heads in 1973 had completed at least four years of high school while only about thirty-two percent of the women heading families in 1970 had reached comparable levels of education attainment.

The level of educational achievement for each year shown was higher for women under forty-five years old than for those forty-five years or older.

In 1973 fifty-eight percent of female heads under forty-five years old had completed at least a high school education, only forty-three percent of the heads forty-five years old or older had a comparable level of attainment.

The corresponding proportions for 1960 were forty-two percent for women under forty-five years old and twenty-six percent for women forty-five years and older.

Attitudes and Thinking

1. Loves working with hands, sewing and art work, but does not want to do them as a job

2. Does not want to teach piano - has 8 years experience in piano - owns a Spinet piano

3. Loves to write letters to newspapers

4. Raised in Southern Baptist Church and does not believe in religion - stays away from religion

5. Loves "working with People" jobs

6. Likes to work with children in certain settings

7. Does not believe in principles of public school system and will not work there

8. Believes in anti-smoking and would like job dealing with anti-smoking

9. Highly intelligent, capable, and considers herself a teacher

10. Will not work with or in job she does not believe in

11. You are nothing when you are poor

Synthesis - summarize an organization of data

1. Assets

   a. highly intelligent women
   b. capable
   c. variety of marketable skills

2. Maladjustments

   a. highly principled and will not work in certain settings
   b. wants professional job
   c. has set up boundaries as far as employment is concerned

Diagnosis

Diagnosis is a cooperative undertaking with the student taking major responsibility in the understanding of himself in so far as he is intellectually able and emotionally willing to do so. With that understanding, I would reason with Nancy concerning the advantages of acquiring a job for steady income; although it may not be the type of job which uses her valuable and unique abilities and skills, it may not pay the salary she deserves, and it may not be a lifetime job. It could be a method of taking control of her financial situation and may serve as a stepping stone to better times and job possibilities. She has really two alternatives, (1) to get a job or (2) go on welfare. Considering the possibility that she could obtain the job offered in Seat Pleasant for $8,000 annually (round figures), we would compare the advantage of obtaining the job over going on welfare.

Nancy has a desire to obtain additional credits in order to become a reading specialist. By contacting the University of Maryland graduate school, I found that there is a possibility that Nancy's credits could be transferred if she is admitted to graduate school.

Since Nancy has a financial problem and there is no possibility of financing her graduate courses, I checked into the possibility of financial assistance. Scholarships, grants, and loans are available for eligible students who apply early through the University of Maryland. Several inquiries at local banks brought out the possibility of obtaining educational loans, if applied for early. The application takes at least six weeks to be processed.

Recommendations

1. Seek admission to the University of Maryland graduate school as soon as possible.

2. Apply early for grants, loans, scholarships and other financial aid.

Possibilities for increasing her income:

1. Teaching piano lessons in her home when conditions are more stable.

2. Tutoring students in reading in her home.

EMPLOYMENT

Because Nancy is currently unemployed, she has faced and is still facing financial hardship. The problem comes with trying to keep her from sinking lower into financial disaster which may cause other serious side effects. Since there is a current recession-depression with 8.2% unemployment, the problem is even greater to solve. I turned to Williamson's Minnesota Point of View in order to approach the problem.

First, I began with an analysis of the situation according to employment. Williamson's concept concludes that analytical procedures are indispensable if the counselor and client are to arrive at a diagnosis of the client and if counseling is to result in appropriate and satisfying adjustment. My information for the analysis was obtained from class interview, information obtained in a report from the graduate assistant, Nancy's resume, and personal telephone conversation with Nancy.

Analysis - of skills and past employment record:

1. Previously employed 9 years as an elementary teacher
    a. 4 years military
    b. 5 years public school system
    c. was transferred 3 times within 5 years in public school system
    d. resigned from school system because of conflicting views and principles
2. 2 years, insurance companies as underwriter and officer
3. Part-time work in research for Catholic University
4. Research in educational psychology
5. Work for psychiatric foundation in Topeka
6. Has had jobs in typing, editing and proofreading
7. Worked with child care center at University of Maryland

Types of work already sought:

1. Interview with WIN - June 13
2. Applied for various speech jobs
3. Applied with Lung Association in Rockville
4. Applied for Coordinator of Conferences jobs - 2 weeks ago
5. Applied for counselor job at Snelling & Snelling
6. Was offered & still has possibility of obtaining job teaching Adult Education in Seat Pleasant
    a. turned down job
    b. job paid $8,000 annually

BUDGET WORKSHEET for Single Parent Family

	Reported May 1975	Proposed for June and July	Future Alternatives (Aug. 1 when Unemployment Compensation ceases)	
Income Source	$308.00 Unemployment	$308.00 Compensation	$586.33 New Job	$148.00 "Welfare"
Expenditures				
Rent	225.00	77.00	170.00	37.00
Utilities	----	----	20.00	----
Phone	10.20	10.20	10.20	10.20
Gasoline	25.00	16.00	30.00	15.00
Car Payment	48.11	48.11	48.11	48.11
Car Insurance	14.60	14.60	14.60	14.60
Clothes, Corrective Shoes, etc.	5.00	5.00	5.00	5.00
Laundry	5.00	5.00	5.00	5.00
Food and Household Items	75.00	52.00	75.00	15.00
Medical Expenses	7.00	M.C.	M.C.	M.C.
Life Insurance	----	14.00	14.00	----
Education (for John)	43.20	43.20	85.00	----
Miscel. & Debt repayment, Checking account service	1.50	17.89	59.42	.59
(Baby Sitting)			30.00	
(Recreation)		5.00	5.00	
(Savings)			5.00	
Total	$459.61	$308.00	$526.71	$148.00

Budgets are presented for 4 situations. In column 1, the income and expenditures are listed as Nancy gave them with expenditures exceeding income. In column 2, expenditures are pared down to equal her monthly unemployment check until August 1. Column 3 and 4 offer budgets for two Future Alternatives: (a) getting a new job at $8200 annually ($683.33 monthly minus income tax (but not social security or retirement) guesstimated to equal $586.33 net) or (b) going on "welfare" which would provide $148 monthly.

Rent expenditures vary from what she is now paying, to $77 reflecting a subsidy so that she would pay only 25% of her income, to (column 3) moving to an apartment in Greenbelt for about $170 a month plus utilities, to (column 4) where she would be obligated to pay only 25% of her income if she were able to live in public housing.

Under Food, the $15.00 shown in column 4 is based on the premise that families with less means pay less for their stamps. A guesstimate.

Life insurance allocations are included following Mr. Covington's advice.

Education for John is normally $85.00 monthly except for those with incomes below $5000, when it is reduced to $43.20. If the family were on "welfare", the Task Force hoped there would be a subsidy and no expense to Nancy.

The three items in parentheses are ones not included in the expenditures Nancy provided, but the Task Force suggests the necessity of adding in baby sitting before and after school. And they encourage setting aside an allocation for recreation and savings.

9P

COUNSELING WITH RESOURCES

Resources

1. We all are familiar with resources and their meaning, kind and classifications.

2. They are referred to as source of supply, aid or support and means (available means for reaching goals).

3. A difference is stated in quantitative --- qualitative
(money, time) (skills, duties)

4. Resources are used, managed, allocated.

5. Resources of a family are found not only within the family but within the various environments in which the family functions.

6. Resources may not be recognized nor means nor their utility established. Unless considered in conscious management, they may remain to be used unconsciously.

7. Classifications

Human	Non-Human
(ex)1. Energy	(ex)1. Material Goods
2. Knowledge	2. Money
3. Creativity	3. Space
Economic	Non-Economic
Larger Environment	Near Environment

8. A more elaborate classification of the elements among which resources must be distributed (set up by Elizabeth Hoyt) six basic cultural interests or values which determine ones consumption.

Sensory (physical demands of the individual)
Social (desire to associate with people)
Intellectual (creation of things)
Techological (ideas controlling environment)
Aesthetic (beauty in itself)
Empathetic (concerned with relationship of the individual to the universe)

Some Potential Resources in Environment Surrounding the Family System

Near Environment
(examples)

Employment possibilities	Community institutions
Educational facilities	Government agency

Community Resources Potential

(Near environment - subject to Nancy's well-identified values and ideals from the information already processed by our group from her interview)

Some of the resources of utmost importance are within Nancy's access forming interfaces which she resists having opened or permeated. Her education starts the list of resources, and the system it interfaces is the public school system, son's education and public school system, self and family members, self and husband's automatic or built-in financial help.

Nancy - who is she?

1. Nancy is a single parent family (because of divorce) with one son-age 7.

2. She has strong ideals (independence). She is an example of family intergenerational independence often brought about, as discussed by Dr. Roger Rubin in class 6/12, with long distances between parents and children. Nancy disbelieves in credit use, but is forced to use it for medical purposes, automobile; and the "system" provides utility cost and bills in this manner.

3. She has established values that, in the end, keep her family system closed (religion, education, family life).

4. Her assets are: education, speciality and experience, a small amount of retirement fund accumulation being held from last teaching position and a well-furnished apartment.

5. Nancy has a too low income for the present level of living to which she aspires. She is threatened with a lower income and the stigma of a welfare grant (aid to dependent children) and the single parent service. There is possible employment teaching reading in a federally funded program (not permanent) at a low-middle income.

In counseling with Nancy, it would be necessary to fully understand resources and their accessibility. She may need extensive help in identification and awareness of them in self and near environment. Once established, concentrate on identification and use of community resources to increase her income. (1) Remember that: values ordinarily determine the ways resources are used. At times a value can be a resource; such as, deep religious value in times of a crisis; (2) Have her see: when one resource is scarce, especially economic resources, others can be substituted or added or identified/recognized immediately; (3) If total resources are increased, more goals should be attainable, of course. Remind her: that large amounts of a resource may be needed to "get going" after which small amounts can be used effectively; and (4) Point out: individual and inter-family resources are difficult to isolate because of interrelationships of family group living.

Community Resources for Nancy's Consideration

With Nancy's educational level, I feel that she can understand emphasis again made: Resources are important as a part of input to the family system - especially in the managerial system since any addition to or depletion from or change in the form of resources affects the managerial subsystem's input.

At this point begin examination of community resources. Gradually help Nancy identify areas where information is incomplete and evaluate what should be explained further.

1. Employment with the federal program (temporary/but might lead to upgrading in another position). Salary could be $8,200.

2. Increase use of personal skills (music, typing, sewing) to add to family income. The community's families, orgainizations, small businesses often need these services. Free refresher courses on these skills could make her more efficient and thus in demand.

3. Use of Veterans Administration and its benefits for her son, if not for herself. Ex-husband was an officer in military. For example, V.A. does have these child support benefits for qualified families.
   a. If 100% disabled and service oriented - $584 per month.
   b. If 100% disabled and non-service oriented - $172 per month.
   c. Also available are medical services through civilian health and medical programs. She can get this through the District of Columbia Veterans Hospital.

   The monthly amounts would vary based on specific circumstances of ex-husband. Contacts with him would be arranged and her eligibility determined through a Veterans Administration counselor. She has not revealed any relevant background factors.

4. Use of Social Security Administration

   a. Benefits are available to the children of disabled parents. However, the parent must have been reviewed and receiving disability income. If ex-husband has not or cannot, Nancy can do this. Benefits are still available in the cases of divorce. As he was eligible while in service, there should have been participation (1956 date of initiation of military participation). His highest 4 years salary is used for determining monthly amount for son.

5. Use of County Health Department (Prince George's County)

   Medical card can be used to its fullest. Seek doctors that will accept. Other diagnostic and treatment services can be used by self and son.

6. Use of County Housing Authority (Prince George's County)

   Move to a lower-rent apartment. Contact the authority for vacancies and rentals which are prorated with income.

7. Use of Civic Group (Lions Club)

   This organization provides the cost involved for eye examination and glasses for those in need. This is one of their projects

Inflation That Family Has Experienced and That Is Projected

1. Tuition for son's school
2. Rent for apartment (July 1)
3. Gasoline for travel to new job and son's school
4. General consumer goods
5. Health care

AGENCY CONTACTS

Veterans Administration
Social Security Administration
Department of Social Services
County Health Department
Personal Knowledge of Other Community Civic and Welfare Organizations
Manpower
Group Hospitalization
State of Maryland Employment Center
Bureau of National Affairs
Suburban Bank of Maryland
Citizens Bank of Maryland

PERSONAL CONTACTS

Nancy's resume
Three telephone conversations with Nancy

Final Counseling Statement And/Or Technique

1. Acknowledge together that Nancy has a good number of resources and her potential can grow and be improved. She has a resistance and hesitancy to seek and use them.

2. It has been shown that system interfaces (barriers) exist. Interfaces between the family system and sub-system must be removed or permeated before the managerial sub-system can return to operation at full capacity. When the budget is tight, there is a definite feedback to the personal sub-system attacking family goals.

3. Make clear that families often adapt their life styles for lack of alternatives for coping with crisis. Limited resources and lack of use of those available allow few alternatives. Some families "buck" the system rather than adapt (individually - family). Begin by looking at:

   a. adjusting temporarily to external forces
   b. reorganization of family to cope
   c. moving away from pressures

Finally, help Nancy to come to a psychological closure. (Theory with Carl Rogers on making a mental and emotional decision. He also suggests that a person under or out of stress is doing the very best he can at that given time). I believe Nancy is doing this. The task now is to increase her "best to better". The decision to be made is that of increased use of community resources and use of alternative resources which will bring more resources back, reentering, into the family system which will increase number and reduce time of achieving family goals and maintain family values.

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CRITIQUE

The members of the task force seeking solutions to Nancy's problems accepted Nancy as the person that she is. They realized that her internal frame of reference contained her values, standards, and principles gained through her life's experience. As Dr. Gaylin suggested, they assumed she told the truth in her statements. They conveyed that belief in their interview with her. Nonetheless, they felt excluded from some knowledge they needed — the status of her ex-husband particularly -- to help her.

Knowing that she is an intelligent, principled person, they sought to reason with her, to lead her to an assessment of her resources, both personal and in the near environment -- the community (for employment, additional education, services for which her family is eligible from private and governmental agencies). Since Nancy had had some interface with certain governmental agencies, she had already developed notions about those. What the task force saw as their assignment, then, was to ferret out additional community resources to supplement the money income she receives from unemployment compensation until August. Wisely, they offered the suggestions to Nancy for her to pursue on her own, because that method conveyed to her their confidence that she could solve her own problems.

It is a serious omission that the source of data appearing to be from the Bureau of the Census is not cited on each table. Further, there are other instances where statements of authorities (such as Carl Rogers, Williamson) should have been cited.

Martha L. Garrison

CASE STUDY: Early Retiree

Mr. and Mrs. B and Ronald

Introduction

Mr. and Mrs. B's Presentation and Interview
Mr. and Mrs. B's Entries for May 1975

Task Force Report

The Systems Approach
Assumptions
The Couple's Use of Credit
Insurance Analysis
The Counseling Situation

Critique

Task Force:
Carol Preston
Millie Maguire
Margot S. Helfred

PRESENTATION

Mr. and Mrs. B.

Mr. and Mrs. B and son Ronald, age 14, are living in suburban Maryland; two older sons are married and living in Pennsylvania. They are a black family; Mr. B is an "early retiree", but carries on several "moonlighting jobs". They have been married 37 years.

He had written his story and made copies of the May 1975 records kept by his wife and by himself and of their income tax return. The report is given in his own words except for a few inserts made from information given during their visit with the Money Management Counseling workshop. Copies of the records and tax forms follow:

> Good morning fellow students. We are very gald to spend this short time with you. We are not fully senior citizens but as for me, I have put in 33⅓ years in government service. I retired in 1973. I have a 1971 Chevy; payments were cut in half on retirement, and this is the reason I still owe about $500 on the car. The present balance on the house is $1475. I do have a part time job now, working with the USDA Graduate School.
>
> My wife was a beautician by trade but she has worked as a postal clerk for the past 12 years. She works night shift at the city post office, and gets paid about $400 every 2 weeks.
>
> Each of us has a budget because I am not working full time. My pay is once a month. Thus, we both handle money to cover our separate budget. We keep separate records. Major items are not bought unless we consult each other first. We cover each indebtedness that we made separately. We both supply food to the home.
>
> Last year we filed separate tax returns and we came out ahead. This doesn't work all the time! I meet most of the utility bills because they fall due the first of the month. All my bills are handled by check. My wife uses money orders.

Mr. B. recalled that he hadn't kept records until he retired.

> I had determined early in life that I would not be on the Welfare roll. My earliest job paid only $10 per week (as a bellhop). Later $15. The little bit of money then went further than what it is doing now. We had one child then.
>
> In 1941, I went into government service, working at night. We had been staying with our parents, but then we moved to an apartment. We stayed there until I entered and returned from the service about 1946.
>
> My wife had saved up some money so we started looking for a house.

Mr. B recalled that it took them 2 years to find a house. Negroes could not find land to buy in the suburbs then except in a few areas. When they moved to Maryland they bought a house costing $7500 in an area that had no lights, no paved streets. When it rained he had to carry his shoes to meet the bus to go to work.

Presented at Workshop: Money Management in Counseling Situations, June 2-13 and July 7-11, 1975, College of Human Ecology, University of Maryland, College Park, Maryland

It hasn't been easy. We mortgaged the house twice, once when we sent our oldest son to college and again when an emergency came up. Our desire to have something was always our goal.

"You have to have a dream to be able to put your money where your dream is"

We fixed the place up, inside and outside. We have a little more to do in the basement and we can relax. We have had four home improvements: porch enclosed into a room, the extension of two rooms and the replacing of all the windows in the home including a bay window, and building in the kitchen and fixing it up.

Mr. B. had had the house appraised last week. It is now worth $35,000.

Inflated prices keep us checking our budget. We have a son in Junior High School. His meals and clothes and other things make it necessary that we keep a close eye on spending. We shop for bargains and teach our son to do the same. Not that this is easy all the time.

Both Mr. and Mrs. B. expressed the opinion that "this son is entirely different. You have to learn their language".

The desire to have something decent keeps us motivated. That is our number one pusher. To have something, we plan and work together toward that goal. We see ourselves in these plans, and we don't stop until they are fulfilled.

We have learned to be at all times prepared for an emergency. Opening of jobs for us wasn't as bright then as now. There was always the R.I.F. Being a Veteran was the only thing that kept me in the government service. However, when I retired, I finally reached the $10,000 salary bracket. Now days you can prepare yourself in school and start at that salary.

We have a 15 acre place in Virginia, about 140 miles from our home, enough space to have a nice garden. A creek is close by and we get in a lot of fishing during the season. Since this is my home area, I visit some of my kin people while there. We have the land in wheat this year. With so much hustle and bustle here in this area you can see why we take a retreat as often as possible. The place is in a good spot, being less than 1/2 mile from the water, if we wanted to sell it. We have no desire at this time to do this.

Mrs. B. usually comes back to "the city" the same day, but Mr. B. stays longer when he can. He related how the family had such a difficult time getting the ownership of the place settled; his father died without a will, and he and his brothers each wanted a front piece.

Both Mr. and Mrs. B. are active in the community. He does a lot of church work. The son is in a choir group, and will go on a tour this summer. They've been putting money aside for this in advance.

Mr. B. became a volunteer tax counselor to help senior citizens. The county paid his tuition to the H & R Block training session. He works every Friday during tax filing period; he is allowed to do some private work too to do his neighbors' tax returns.

Mrs. B. purchased a 1974 Cadillac in 1974. She pays $177.08 monthly on her car payment.

HANDOUT

Mr. B's Entries for May 1975

Income $478 Retirement (Blue Cross, Blue Shield deducted from monthly check)
$120 part time job
$354 IRS Returns

Regular Monthly Bills

Washington Gas Co.	$ 36.57 + .10	
Perpetual Savings	10.00 + .10	
Central Charge	15.00 + .10	
Sears Roebuck	30.00 + .10	
House note	106.00 + .10	
American Security	82.00 + .10	(home improvement)
Finance America Corp.	25.00 + .10	(personal loan)
NAC Charge Plan	20.00 + .10	
Ag. Credit Union	82.00 + .10	(car note)
Associates	29.00 + .10	(personal loan)
Potomac Electric Co.	55.00 + .10	
Telephone Co.	20.00 + .10	
Church	18.00 + .10	
	$ 510.00 +1.30 (SC)	
Ronald's monthly payments	$ 20.00	plus school lunch and other out of pocket

May 1	
Recreation	$16.64
Trip to Balto.	9.00
A & P	14.00
Gasoline	7.00
Birthday Token	1.00
	$47.64

May 2	
Drug Fair	$ 2.94
Credit Union Savings	10.00
A & P	14.00
Recreation	7.32
	$34.26

May 3	
Trip to Va.	$37.00
Paper boy	1.15
	$38.15

May 4	
Tomato Plants	$ 2.00
A & P	10.00
Gasoline	9.00
Gift to school	4.50
	$25.50

May 6	
Church	$33.00
A & P	18.00
Cleaners	2.90
House note	71.00 add to
Mothers day cards	5.00
	$129.90

May 8	
Gift paper	$ 1.04
Dance ticket	12.00
Ronald	1.50
	$14.54

May 9	
Auto tires (4)	$157.00
Pantry Pride	6.60
Necktie	3.11
	$166.71

May 10	
Ronald	$ 1.40
Recreation	11.00
Garden of Prayers due on trip	16.00
	21.00
Gasoline	5.00
	$ 54.40

May 11	
Church	$ 1.50
A & P	6.22
Mothers Day Gift	30.00
	$ 37.00

May 12	
Ronald	$ 3.50
Bike tube	1.87
Pantry Pride	4.73
Gasoline	6.35
Paper boy	1.65
	$ 18.10

May 13	
Hair cut for two	$ 6.00
Ronald	2.00
A & P	3.00
Recreation	2.33
	$ 13.33
May 16	
Church	$ 9.00
Pay on trip for Chicago	40.00
Trip for Va.	15.00
Cleaners	2.04
A & P	13.26
	$ 79.30
May 18	
Church	$ 2.00
Paper boy	4.50
	$ 6.50
May 19	
Gasoline	$ 5.00
Metro fare	.80
Water bill	14.04
Sears	7.00
Woodies (clothes)	34.50
Cleaners	5.00
	$ 66.34
May 21	
Ronald's allowance	$ 5.00
Safeway	6.92
Peoples	4.00
Car Repair	30.00
Car Parts	25.00
	$ 70.92
May 24	
Pay on trip to Chicago	$ 10.00
May 26	
Gasoline	$ 7.00
Pay on trip to N. C.	22.50
	$ 29.50
May 29	
A & P	$ 9.00
Garden Equipment	15.00
	$ 24.00
May 31	
Paper boy	$ 1.15
Metro Fare	.80
Candles	3.34
	$ 5.29

Mrs. B's Entries for May 1975

Income	$382.45	first pay period
	$392.34	second pay period
	$396.00	tax refund
	$402.84	(this month had an extra pay period)

Expenditures

GMAC	$177.08	
Home Imp.	112.55	
Windows	26.57	
Wards	75.00	
Bank Americard	25.00	
Hechinger	25.00	
Eye Glasses	50.00	
New Clothing	60.00	
Prescription	23.00	
Gasoline	10.00	
Food	25.00	
Bank deposit	100.00	earmarked "son's education"
Vacation	100.00	(saving for trip)

THE SYSTEMS APPROACH

The B. family system, has numerous interfaces with its environment. However, in this given situation, it seems as if there are more of these areas where information can pass between the system and its environment. This situation exists because the family spans two generations. Mr. and Mrs. B. are in touch with the senior citizen sector (he is retired), they are involved with production (her job) and with a grown family away from home. Ronald, their 14-year-old son, gives them contact with the upcoming generation. Needless to say, examining this family in terms of its environment and the effects of one upon the other is a complicated process.

Any approach or recommendations given the B's in terms of financial counseling should focus on equifinality. That is, we must recognize that in order to attain a given end - retirement, security and traveling - more than one route or approach can be utilized.

Our group listed a variety of adjacent systems that have extensive interfaces with the system of interest (B family). Among the adjacent systems are: the church, senior citizens, places of employment, credit applications, the educational system and systems that offer retirement security. We have chosen to focus on two adjacent systems - credit institutions and retirement security systems - that have the potential of creating a high amount of feedback as the family moves toward its stated goal of a secure retirement with extensive traveling.

In focusing on the managerial subsystem, we find that the input of resources, include Mrs. B's salary, a retirement income, insurance policies, and a savings account. Demands inputs include: credit accounts, house and car loans, travel upon retirement, and a college education for Ronald. According to the family, it's desired outputs are: to travel, to be secure and free from credit payments, and to have a completely renovated house.

The family has personal assets that are somewhat less tangible. These resources include: experience in handling money, status and respect in the community, a desire for independence, and a belief in hardwork and perseverance. The feedback produced from output based on these resources is likely to be quite positive. For one thing, this feedback has made credit available.

An examination of the managerial subsystem, falls into two parts - planning and implementing. In the realm of planning, the B family has both set a standard and created an action sequence. The standard is a leisurely, secure retirement with capital for travel and maintenance of residence. Although not actually stated, it seems that the sequence calls for total retirement in 8-10 years. Within this time frame, Ronald can have completed college, credit can be paid off, and Mrs. B. can retire with 20 years government service. In terms of implementation, both controlling and facilitating can be done. The college savings fund, paying on bills monthly, doing income tax returns for extra cash are facilitating factors. Controlling includes checking and adjusting progress toward goals.

As can be seen, the systems approach can be applied to the B's present situation and future hopes.

ASSUMPTIONS

On the bais of available evidence, both written and oral, the study team made the following assumptions on the probable approaches to fiscal management prior to and into retirement:

Assumption	Justification
The Marriage is a Permanent Partnership	The couple has been married for 37 years, are Catholic, and have 1 son still at home.
Husband Will Not Resume Full-Time Employment	Husband enjoys his present semi-retired life style and his age mitigates against future new employment.
Wife Will Work at Present Position Until Age 60 and Then Retire	Wife is 52 and has 12 years of Government service. She becomes eligible for civil service retirement at age 60 with 20 years service. She likes her present job, but looks forward to retirement.
Couple Will Fund Third Son's College But Will Not Refinance Their Home To Do It	They funded college for at least 1 of their older sons; they own an endowment-type insurance policy and maintain a savings account for the third son's education.
They Will Continue to Pay All Just Debts (To Demonstrate Fiscal Responsibility)	Their outstanding credit debts are substantial; this implies they are good credit risks and habitually pay their bills.
They Will Not Support Their Parents Nor Expect Support From Their Children	There is no evidence that they regularly contribute toward the support of their mothers or receive contributions from their own children.
Medical Insurance Would Provide For Regular Medical Care But Would Not Prove Adequate in Event of Catastrophic Illness	Their medical insurance appears to be the customary, government-sponsored programs, none of which would cover protracted serious illnesses.
Couple Will Not Face Catastrophic Illness (Barring Serious Accident)	Both appear physically fit and both continued in Federal Civil Service; neither is receiving disability annunity.

Assuptions	Justification
Wife Will Receive Cost-of-Living & Longevity Raises While Working and Husband & Wife Will Receive COL Retirement Annuity Raises	COL raises in retirement incomes are based in law, as are longevity in-grade raises for Federal employees.
Couple Will Not Have Significant Savings When Wife Retires	They plan to educate their son, to refinish their basement, and end credit buying; all of these moves will impede saving.
Car Purchases Will Continue to be Programmed Purchases	Neither partner seems disturbed by their ongoing practices of buying a replacement car as soon as one of their cars is paid for.

THE EARLY RETIRED COUPLE'S USE OF CREDIT

This segment of our report examines the B's credit buying practices and credit indebtedness, with a view toward assessing their potential for entering full retirement with a credit posture which will support the achievement of their stated retirement goals. To do this, we will be looking at their interest charges during 1974, as reported on their Federal Income Tax Returns and at their present incomes and expenditures, as recorded in support of this study during the month of May 1975. All supporting documents are attached.

The first significant consideration is their home mortgage interest, which amounted to only $177 for all of 1974, the fact that their $9.75 monthly interest charge is being applied to a mortgage which has almost run its full course.

Another important aspect of the credit posture is their practice of purchasing a nearly new automobile as soon as the payments have been completed on one of their previously-owned cars. (Mrs. B's recent purchase of a new Cadillac represented an apparent departure from their reported customary buying practices). Car purchases appear to be "programmed purchasing" for the B's, from which it is possible to conclude that the cost of credit for car purchases will represent a continuing expense which will vary only in amount.

A third noteworthy factor is that during 1974 their total interest payments to revolving charge accounts amounted to $380, an amount which is more than three times the amount of their mortgage interest. In all, they had six different revolving charge accounts, each of which, at a slight extra cost, had been protected by insurance which provided for payment of each debt in event of the death of either the husband or wife.

The B's situation with respect to personal loans also affects their credit picture. In 1974, they paid a total of $525 interest charges on four separate personal loans. This represented the largest single category of credit expense which they reported during that year. In all, they paid over $1300 interest and credit purchasing charges last year. However, by filing income taxes separately after Mr. B's retirement from the Department of Agriculture, they recovered approximately $262 of this in tax reliefs, i.e. 28% of $484 for her and 15% of $852 for him. Nonetheless, their actual out-of-pocket payments for credit of over $1000 represents a significant consideration in their family fiscal management.

The B's current credit buying expense differ in several important ways from their situation last year. They have, for example, contracted recently for two "home improvement" loans, each of which is scheduled to run for five years. During the period of these indebtedness, however, they will, of course, be enjoying a renovated and more spacious home, which is an intangible factor in their credit buying picture.

Automotive transportation continues to be a major category of expense for the B's. Earlier this year, Mr. B. refinanced his car to arrange for a longer repayment period for his outstanding loan, and Mrs. B. purchased her long-desired Cadillac. It is significant that the ownership of two cars costs the couple a minimum of $8.50 per day for car ownership, alone, not including any of the costs associated with operation, such as fuel and repairs.

With respect to the B's current revolving credit purchases, which are reportedly all of the "contract sale" type, we can expect the level of payments to continue essentially unchanged for about the next two years, unless they made a deliberate effort to pay some or all of their contracts off early; their potential for doing this will be examined later. With one exception, the firms involved in the B's revolving credit purchases during May 1974 are the same as those with which they dealt in 1974.

In comparing the B's personal loan payments for May with the interest charges claimed in this category on their 1974 income tax returns, it becomes apparent that they have one new "account" of this type currently active. In all, they paid approximately $64 for personal loan repayments during the test month of May 1975.

At this point, it might be well to pause to consider whether the current credit buying practices of the B's are "typical". In their book, Personal Money Management, Bailard, Biehl and Kaiser indicate that a good rule for judging credit indebtedness at the family level is that expenditures of this type should not exceed 20% of the disposable income.[1] Applying that rule to the B's situation, the B's combined income during a "normal" month is $1412, and their percentage of credit charges amounts to a whopping 50% of their disposable income, Bailard, Biehl and Kaiser also note that it is generally a misuse of credit for one to extend the period of his credit indebtedness, in order to reduce his monthly payments;[2] this Mr. B. did recently when he refinanced his car purchase. In her lecture to the University of Maryland Money Management in Counseling Situations course on June 10, 1975, Elaine Morigi cited another general "rule of thumb" for judging over-extension of credit buying, i.e. that credit payments should not exceed 25% of one's gross income, excluding mortgage payments. Even by that standard, the B's are obviously over-extended in credit purchase payments and related financing charges. It is worth commenting upon, however, that in May 1975, Mr. B. applied $71 of his "windfall" extra income toward an extra mortgage payment.

We must now assess the B's fiscal ability to accomplish their retirement objectives, given their present precarious credit purchasing situation. Putting this another way, what must the couple accomplish before Mrs. B. retires, in order to be in a satisfactory position to live the life style they have planned?

- They must finance their third son's college education; however, they are both saving for this purpose and have purchased an insurance annuity to assist in its attainment.

- They have to pay off their mortgage; This will occur in two years, barring any unforseen financial disasters, such as a catastrophic illness, which we assumed they would not have. They must also pay off their two outstanding home improvement loans, but this is scheduled to occur in approximately five years.

- They will also have to break free of the credit purchasing cycle. Some indication of their ability to accomplish this is represented by Mrs. B's statement that she plans to cancel their Bank Americard during July. Since Mr. B. does not characterize himself as a "saver", it will be up to Mrs. B. to be the prime mover in this area. Her expenditure record for May shows two $100 bank deposits, one of which appears to be a recurring contribution to an account set aside for her third son's college education. The other deposit represented pre-planning for the financial obligations to be incurred during a forthcoming trip. She also reports buying U.S. Savings Bonds in an unspecified amount, but evidently does not always hold them to maturity. In terms of

fiscal responsibility, the significant consideration is that the B's combined income exceeds their expenditures. In the extraordinary month of May 1975, they took in $2525 and paid out only $1982, not counting any Bond purchases Mrs. B. may have made or the $200 she deposited in the bank. In May, therefore, the couple wound up perhaps $300 ahead of the game, and this money could have been used to pay off some of their revolving credit indebtedness early. However, out of the $1982 worth of expenditures the B's made in May, about $500 went for what might be considered one-shot expenses; such as, $157 for new tires, and the $71 extra mortgage payment, $30 for car repairs, $100 saved for a future trip, $50 for eye glasses, and $60 for new clothes. Had these or similar expenditures been made in a "regular" month where their income was approximately $1400, they would be running almost too close to their limit of disposable funds to consider any significant advance payments on their revolving credit contracts. They might generally (barring windfalls like the income tax rebates which they will receive during July 1975) have to run to the end of their present credit contracts before paying each off. For the B's, therefore, the secret of breaking the credit cycle seems to lie in their not taking on any important new credit indebtedness. This, Mrs. B. indicated will be her game plan for the next few critical years. If they are successful in meeting this objective, the couple should enter full retirement in a strong financial position. Their continuing car purchases will probably constitute their largest credit purchase. If they should decide to become a one-car family at Mrs. B's retirement, their financial solvency would be assured; that is, providing (and this is a big "IF") that the cost of living and in-grade pay raises Mrs. B. receives and which should continue to be reflected in Mr. B's annuity check keep pace with inflation in the general economy.

When one considers that this family system started on a $10 per week income, its accomplishments of home ownership, child education, and comfortable standard of living (which already includes some travel, a stated post-retirement goal), are commendable. One must credit the B's with general fiscal responsibility and an ability to formulate and achieve their desired goals. Despite their present overextended position with respect to consumer credit purchases, the B's appear to be employing their credit potential responsibly. In addition, they possess a good credit rating.

COST OF CREDIT IN 1974

Details		Sub-Totals
Home Mortgage		$ 117
Automobiles		324
Agriculture Credit Union	$ 225	
CMAC	99	
Revolving Charge Plans		380[1]
Montgomery Ward	166	
Hechingers	62	
Woodward & Lothrop and Sears	41	
Central Charge	50	
NAC	61	
Personal Loans		525
American Security & Trust	140	
Finance America Corporation	105	
Bankers Guarantee	167	
Associates	113	
Total Cost of Credit		$ 1346[2]

ELABORATION

1 Revolving Charge Plan costs include 6 different revolving accounts, each of which eats away at the cash which might have otherwise been available for purchase of actual consumer goods.

2 During 1974, the B's paid out over $1300 in credit charges. Since that time, they have purchased a new car, taken out another home improvement loan, bought over $1000 worth of new carpeting, and have taken on a larger indebtedness to their "Associates". Their debt position in May 1975 was substantially worse than it was during 1974.

CREDIT PURCHASES MAY 1975

Housing		$ 300.55[1]
Mortgage	$ 106.00	
Home Improvement Loans	194.55	
Automobiles		259.08[2]
His	82.00	
Hers	177.08	
Revolving Credit Purchases		190.00[3]
Central Charge	15.00	
Sears Roebuck & Company	30.00	
NAC	20.00	
Montgomery Ward	75.00	
Bank Americard	25.00	
Hechingers	25.00	
Personal Loans		64.00[4]
Perpetual Savings	10.00	
Finance America	25.00	
Associates	29.00	
	Total	$ 707.63[5]

EXPLANATION

1 Approximately 56% of the B's home credit costs are in home improvements.

2 It costs the couple about $8.50 per day to own (not to operate) two cars.

3 All 6 of the B's credit accounts are of the "credit contract" type which provide paid-up insurance coverage in event of the death of either.

4 The couple has 3 outstanding personal loans rather than 4 as they had in 1974.

5 In May 1975 credit purchases were 28% of disposable income. $\left(\frac{707.63}{2525.63}\right)$ In a regular month, credit purchases were 50% of disposable income. $\left(\frac{707.63}{1412.46}\right)$ Both cases exceed Bailard's 20% standard.

FAMILY'S SECURITY PLANNING - INSURANCE

For the purpose of this segment of the overview of the B's family, their planning for future security is the portion of the family system being examined. More specifically, their use of insurance as a tool toward this goal is analyzed.

Mr. B. stated in the initial interview that decreasing term insurance was purchased to cover his mortgage when he first bought the family home. This was needed at that point in time for his young family (wife and two young sons) to assure them a home if he should die prematurely. That coverage now must be almost nil as the original house note now is down to about $1400 and will be paid up in about a year and a half.

Mr. B also in the initial interview, told the counselor that as his financial position improved and his assets grew, even though many were encumbered, he continued to cover his obligations with insurance. Property (homeowner's) insurance is included in his house payment. In a phone interview, Mrs. B said their credit accounts were always covered with credit insurance. In checking into the cost of credit insurance for this family's obligations vs. term policy coverage for like amounts, surprisingly it was found that the B's pay considerably less for their protection the way they do it now than they would if they selected the alternative coverage.

For medical contingencies for the family, Mr. B carried his Hi-Option Blue-Cross Blue-Shield into his retirement and has the premium deducted from his retirement check. This may not cover catastrophic illness, but such coverage at his age would be very expensive, and in the phone interview, Mrs. B felt it was sufficient coverage for their needs.

Mr. and Mrs. B both carry the Civil Service Group Life Insurance Plan. Both elected not to purchase the additional $10,000 optional coverage available to government employees. The basic coverage under the plan is a year's salary with an added $10,000 available. For purposes of the calculations later in this paper, the counselor has set the value of each policy at $10,000. In fact, Mrs. B is now closer to $15,000; while Mr. B, now that he is retired, is declining at the rate of 2.5% a year...and his coverage is now free while she still pays for hers. Hopefully, eventually these factors will balance themselves out. Mr. B also elected to have the survivor's benefit option deduction made from his retirement pay. This would pay Mrs. B (and/or Ronald if he is still a legally dependent child) 55% of his retirement pay till her death and/or Ronald's reaching the legal age of maturity. Although there is a cost-of-living escalator in his retirement, as the law stands at present, the survivor benefit annuity has no such clause. If Ronald is still in the home when Mr. B dies, this could be a valuable resource in providing for his maintenance and education. However, other provisions have also been made for the necessary funds to provide Ronald an education. This is in the form of an insurance policy specifically for education and a savings account recently started by Mrs. B. Mr. B. also carries an additional life insurance policy with Home Beneficial Company.

From the text "Personal Money Management" by Thomas Bailard, David Biehl and Ronald Kaiser, the following table of 11 steps to follow in determing life insurance needs (pg. 127) was used.

DETERMINING THE RIGHT AMOUNT OF LIFE INSURANCE

NAMES: Mr. and Mrs. B

DATE: June 1975

AGES: 57 and 52

1. Funeral, Administrative and Estate Tax Expenses			$ 6,600
2. Debt Resolution			$ 10,000
3. Contingency Fund (2 times monthly take-home pay)			$ 2,000
4. College Education Fund ($5200 x 4)			$ 20,800
5. Annual Living Expenses (by period)	$17,500 x 10 = $175,000	$12,000 x 20 = $240,000	
6. Annual Income Sources (by period)	$19,000 x 10 = $190,000	$12,000 x 20 = $240,000	
7. Total Income Needs	00	00	00
8. Total Discounted Income Needs	___	___	___
9. Total Monetary Needs			$ 39,400
10. Total Investment Assets			___
11. Life Insurance Needs			$ 39,400

Line 1. Formula in the text states with an estate calculated at over $40,000 estimate $6,600. B's have house worth $35,000, insurance of about $50,000, cars, bonds, land in Virginia, so their combined estate is well over $40,000

Line 2. Very rough estimate (but covered by credit insurance, so need not really be calculated)

Line 5. Figures reached by totaling the figures given by the family for May (discounted slightly). Multiply period 1 (till Mrs. B's retirement) by 10, since that is a likely time for her retirement. The figure 20 for period 2 was reached almost by treating Mr. and Mrs. B as one person and taking an average life expectancy between the two of them from the actuarial table.

Line 6. Annual Income Sources computed:

Mr. B's retirement	x 12	$7200
Mr. B's Ag. Dept	x 12	1440
Mrs. B's take home	x 26	10,400
		$19,040

120

*Line 4. $5200 annual cost of Ronald's education computed by using an average cost between expected tuition costs at private and state colleges from the chart on pp. 128 of the Home Management text cited earlier.

Line 8. Does not show discount income needs as the B. family records show no savings or investment income.

On the chart showing the estimated needs of the B. family, the figure $39,400 appears to be their requirement in insurance coverage. This figure reflects the following presumptions by the author:

1. No credit allowed for savings. Only bonds and Mrs. B's savings for Ronald were mentioned in the interviews and no interest income is listed on their tax forms.

2. No credit has been allowed for social security, equity build-up in the home, cars, land in Virginia, in hopes that by not calculating the effects of inflation on their needs, these 'non-calculateds' will cancel one another out.

3. Their needs, at least over the next 10 years, are estimated on their current spending as the investigator knows it (May 1975) and presuming their consumption will remain at this level, although Mrs. B. indicated intent not to charge so much when these contracts are paid up.

Conclusion:

With the actual insurance coverage between them now (including the education policy for Ronald) at about $60,000 they meet the textbook criteria for adequate coverage. This total reflects $10,000 each parent government life insurance, $20,000 on Mr. B. with a private company, Ronald's education policy plus $10,000 credit coverage.

In a counseling situation the fact they are over-protected by about $20,000 could be introduced and they could possibly opt to cash in on the private policy or drop one or both of the government policies. Since they are however, apparently, comfortable with the payments for the coverage they now have, they may opt to continue and thereby cushion the remaining years for the survivor(s). Given the input figures for their totals in coverage and their assessed needs are close to the actual truth, the B's have achieved their goal in this aspect of their financial plan.

THE COUNSELING SITUATION

The course of action in the counseling situation depends upon the decisions made by the counselors. Counselors need to have assessed the situation and have general patterns of action in mind. No counselor can be effective if he has prejudged the outcome. Thus, the following dialogues may not, in fact, occur in the order given. The variable is the responses of Mr. and Mrs. B during the session(s).

First, the B's deserve and should receive praise for their positive position concerning insurance. Coverage is more than adequate and Ronald's education has been carefully considered and planned for.

The next step in the interview is to discuss the couple's goals of a secure retirement with traveling. The counselors should help them clarify their goals and explain the time frame they have in mind. If the B's suggest that their goal is 8-10 years away, the counselor should ask what financial situation is desired at that point. We would then discuss the family's planned or possible assets - house? Virginia property? savings? insurance policies? Ronald's completed education? government retirement plans? The counselors should be aware of the value of their assets. The B's should then discuss their planned or possible debts 8-10 years hence - cars? charge accounts? home improvements? home maintenance costs? improvements of Virginia property?

Next, in the counseling session, the family should compare the current amount left over after bills each month to the amount they hope to have each month after retirement. The discussion should then proceed to what debts the B's would like to be rid of at retirement.

Probably, Mr. B would be quite interested in the systems approach to a financial plan. The counselor could introduce these ideas. Mr. B may "take off" on this idea and work on the family's financial plans from this approach. Mrs. B may want to discuss ways the family can cut monthly costs. She may quickly come up with her own suggestions to make their retirement even more secure.

The B family is intelligent with a great deal of money handling experience. The counselor, here, is only a catalyst. The family itself must make financial management decisions that will fit into its current and future lifestyle.

CRITIQUE

The clarification of assumptions is sometimes overlooked. In group work, however, it helps all members focus on the same data. Once stated, assumptions are open to revision or can be challenged.

The detailed analysis of insurance puts the whole situation in view. One possibility has been mentioned, another is to be aware of any cash value which could be available in event of major expenses. There could be discussion of other alternative situations such as this.

The B's have good working records of their payments, but showed no evidence of having used this information. Do they recognize how much credit is costing them for instance? An annual summary and net worth statement at income tax time might be valuable for them.

The task force members noted in later comments that they learned a great deal in the process of working through this financial study. They had several surprises, namely, the comparative cost of credit insurance vs term insurance for the couple at their ages. (These figures weren't shown.) Does this credit insurance encourage further borrowing?

If the B's plan to travel, should they retain a national credit card and perhaps carry fewer local accounts?

Counseling approach recognizes the interests and experience of the family members.

Charlotte V. Churaman

Form **1040** **US** Department of the Treasury—Internal Revenue Service

Individual Income Tax Return

1974

For the year January 1–December 31, 1974, or other taxable year beginning ..... , 1974, ending ..... , 19 .....

Please print or type

Name (If joint return, give first names and initials of both): MRS. | Last name: S

Present home address (Number and street, including apartment number, or rural route):

City, town or post office, State and ZIP code:

COUNTY OF RESIDENCE: Prince Georges

Your social security number:

Spouse's social security no.:

Occupation: Yours ▶ Mail Clerk

Spouse's ▶

Filing Status (check only one)

1 ☐ Single

2 ☐ Married filing joint return (even if only one had income)

3 ☒ Married filing separately. If spouse is also filing give spouse's social security number in designated space above and enter full name here ▶

4 ☐ Unmarried Head of Household (See instructions on page 5)

5 ☐ Widow(er) with dependent child (Year spouse died ▶ 19)

Exemptions

	Regular	65 or over	Blind	Enter number of boxes checked ▶
6a Yourself	☒	☐	☐	1
b Spouse	☐	☐	☐	

c First names of your dependent children who lived with you: R. N. Jr., Son — Enter number ▶ 1

d Number of other dependents (from line 27) ▶

7 Total exemptions claimed ▶ 2

8 **Presidential Election Campaign Fund** ▶ Do you wish to designate $1 of your taxes for this fund? ☐ Yes ☐ No — If joint return, does your spouse wish to designate $1? ☐ Yes ☐ No

Note: If you check the "Yes" box(es) it will not increase your tax or reduce your refund.

Income

9	Wages, salaries, tips, and other employee compensation (Attach Forms W-2. If unavailable, see instructions on page 3.)	9	13836
10a	Dividends (See instructions on pages 6 and 13) $ ..... 10b Less exclusion $ ..... Balance ▶ (If gross dividends and other distributions are over $400, list in Part I of Schedule B.)	10c	
11	Interest income. [If $400 or less, enter without listing in Schedule B. If over $400, enter list in Part II of Schedule B]	11	
12	Income other than wages, dividends, and interest (from line 38)	12	
13	Total (add lines 9, 10c, 11, and 12)	13	13836
14	Adjustments to income (sum of Part III, from line 43)	14	
15	Subtract line 14 from line 13 (adjusted gross income)	15	13836

- If you do not itemize deductions, and your adjusted gross income is under $10,000, find tax in Tables and enter on line 16.
- If you itemize deductions or your adjusted gross income is $10,000 or more, go to line 44 to figure tax.
- CAUTION: If you have unearned income and can be claimed as a dependent on your parent's return, check here ▶ ☐ and see instructions on page 7.

To conserve space on page 1, the reverse side of this form has been omitted. It reads: Adjusted gross income ($13,836) less deductions ($2,430) = taxable income ($11,406) less exemptions ($1,500) = $9,906.

Tax, Payments and Credits

16	Tax, check if from Tables 1–12 ☒ Tax Rate Schedule X, Y, or Z; Schedule D ☐ Schedule G OR ☐ Form 4726	16	2030
17	Tax	17	
18	...e 17 from line 16)	18	2030
19	...e 61)	19	
20	...d and 19)	20	2030
21a	...income tax withheld (attach Forms W-2 and W-2P to front)	21a	2426
b	1974 estimated tax payments (include amount allowed as credit from 1973 return)	b	
c	Amount paid with Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	c	
d	Other payments (from line 65)	d	
22	Total (add lines 21a, b, c, and d)	22	2426

Pay amount on line 23 in full with this return. Write social security number on check or money order and make payable to Internal Revenue Service.

Balance Due or Refund

23	If line 20 is larger than line 22, enter **BALANCE DUE IRS** ▶ (Check here ▶ ☐ if Form 2210, Form 2210F, or statement is attached. See instructions on page 7.)	23	
24	If line 22 is larger than line 20, enter amount **OVERPAID** ▶	24	396
25	Amount of line 24 to be **REFUNDED TO YOU** ▶	25	396
26	Amount of line 24 to be credited on 1975 estimated tax ▶ 26		

If all of overpayment (line 24) is to be refunded (line 25), make no entry on line 26.

Sign here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he has any knowledge.

Schedules A & B Itemized Deductions AND Dividend and Interest Income are reproduced on the reverse side.

Your signature — Date

Spouse's signature (if filing jointly) — Preparer's Emp. Ident. or Soc. Sec. No.

Please attach Copy B of Forms W-2 here

Please attach Check or Money Order here

Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).

1974

Name(s) as shown on Form 1040: MRS B.

Your social security number:

Schedule A—Itemized Deductions (Schedule B on back)

Medical and Dental Expenses (not compensated by insurance or otherwise) (See instructions on page 10.)

1 One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below)	150
2 Medicine and drugs	420
3 Enter 1% of line 15, Form 1040	138
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)	282
5 Enter balance of insurance premiums for medical care not entered on line 1	248
6 Enter other medical and dental expenses:	
a Doctors, dentists, nurses, etc.	
b Hospitals	
c Other (Itemize—include hearing aids, dentures, eyeglasses, transportation, etc.) ▶ Dr Brown	80
Dr Foreman	150
1st One Glasses	65
7 Total (add lines 4, 5, 6a, b, and c)	523
8 Enter 3% of line 15, Form 1040	41
9 Subtract line 8 from line 7 (if less than zero, enter zero)	482
10 Total (add lines 1 and 9). Enter here and on line 35 ▶	560

Taxes (See instructions on page 10.)

11 State and local income	763
12 Real estate	
13 State and local gasoline (see gas tax tables)	116
14 General sales (see sales tax tables)	123
15 Personal property	
16 Other (Itemize) ▶	
Auto Sales Tax on 1974	
Charge 4% x 7526	314
17 Total (add lines 11, 12, 13, 14, 15, and 16). Enter here and on line 36 ▶	1316

Interest Expense (See instructions on page 11.)

18 Home mortgage	
19 Other (Itemize) ▶ GMAC	99
Ranier's Credit Corp	167
Montgomery Ward	166
Aetna	62
20 Total (add lines 18 and 19). Enter here and on line 37 ▶	494

Contributions (See instructions on page 11 for examples.)

21 a Cash contributions for which you have receipts, cancelled checks, etc.	
b Other cash contributions. List donees and amounts. ▶	
Church (Name)	260
Cancer Fund	10
Boy Scouts, Girl Scouts	17
United Givers Fund	25
22 Other than cash (see instructions on page 11 for required statement)	
23 Carryover from prior years	
24 Total contributions (add lines 21a, b, 22, and 23). Enter here and on line 38 ▶	312

Casualty or Theft Loss(es) (See instructions on page 12.)

Note: *If you had more than one loss, omit lines 25 through 28 and see instructions on page 12 for guidance.*

25 Loss before insurance reimbursement	
26 Insurance reimbursement	
27 Subtract line 26 from line 25. Enter difference (if less than zero, enter zero)	
28 Enter $100 or amount on line 27, whichever is smaller	
29 Casualty or theft loss (subtract line 28 from line 27). Enter here and on line 39 ▶	

Miscellaneous Deductions (See instructions on page 12.)

30 Alimony paid	
31 Union dues	120
32 Expenses for child and dependent care services (attach Form 2441)	
33 Other (Itemize) ▶	
Cleaning and	
Upkeep of Uniforms	104
34 Total (add lines 30, 31, 32, and 33). Enter here and on line 40 ▶	224

Summary of Itemized Deductions — A

35 Total medical and dental—line 10	560
36 Total taxes—line 17	1316
37 Total interest—line 20	494
38 Total contributions—line 24	912
39 Casualty or theft loss(es)—line 29	
40 Total miscellaneous—line 34	224
41 Total deductions (add lines 35, 36, 37, 38, 39, and 40). Enter here and on Form 1040, line 45 ▶	3906

125

Form **1040** **US** Department of the Treasury—Internal Revenue Service

Individual Income Tax Return

1974

For the year January 1–December 31, 1974, or other taxable year beginning ..... 1974, ending ..... 19 .....

Please print or type

Name (If joint return, give first names and initials of both): A P. | Last name: B.

Present home address (Number and street, including apartment number, or rural route):

City, town or post office, State and ZIP code:

COUNTY OF RESIDENCE: Prince George's

Your social security number:

Spouse's social security no.:

Occupation: Yours ▶ Spouse's ▶

Filing Status (check only one)

1 ☐ Single

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separately. If spouse is also filing give spouse's social security number in designated space above and enter full name here ▶

4 ☐ Unmarried Head of Household (See instructions on page 5)

5 ☐ Widow(er) with dependent child (Year spouse died ▶ 19)

Exemptions

	Regular	65 or over	Blind	Enter number of boxes checked ▶
6a Yourself	☒	☐	☐	1
b Spouse	☐	☐	☐	

c First names of your dependent children who lived with you

Enter number ▶

d Number of other dependents (from line 27) ▶

7 Total exemptions claimed ▶ 1

8 Presidential Election Campaign Fund ▶ Do you wish to designate $1 of your taxes for this fund? Yes ☐ No ☐ If joint return, does your spouse wish to designate $1? Yes ☐ No ☐ Note: If you check the "Yes" box(es) it will not increase your tax or reduce your refund.

Please attach Copy B of Forms W-2 here

Income

9	Wages, salaries, tips, and other employee compensation (Attach Forms W-2. If unavailable, see instructions on page 3.)	9	2567 00
10a	Dividends (See instructions on pages 6 and 11) $ ....., 10b Less exclusion $ ....., Balance ▶ (If gross dividends and other distributions are over $400, list in Part I of Schedule B.)	10c	
11	Interest income [If $400 or less, enter total without listing in Schedule B. If over $400, enter total and list in Part II of Schedule B.]	11	
12	Income other than wages, dividends, and interest (from line 38)	12	
13	Total (add lines 9, 10c, 11, and 12)	13	2567 00
14	Adjustments to income (such as "sick pay," moving expenses, etc. from line 43)	14	
15	Subtract line 14 from line 13 (adjusted gross income)	15	2567 00

To conserve space, Part III of this form has been omitted. To reach Adjusted gross income ($2567) and ex- reverse side of this form. Itemized deductions ($3750) less deductions ($2567) = $1183

- If you do not itemize deductions and your adjusted gross income is under $10,000, find tax in Tables and enter on line 16.
- If you itemize deductions or your adjusted gross income is $10,000 or more, go to line 44 to figure tax.
- CAUTION: If you have unearned income and can be claimed as a dependent on your parent's return, check here ▶ ☐ and see instructions on page 7.

Tax Computation and Credits

16	Tax, check if from: Tax Table 1–12 ☐ Tax Rate Schedule X ☒ Y ☐ or Z ☐ Schedule D ☐ Schedule G ☐ OR Form 4726 ☐	16	33 00
17	...	17	
18	...e 17 from line 16)	18	33 00
19	...ne 61)	19	
20	...18 and 19)	20	33 00

Tax, Payments, and Credits

21a	...al income tax withheld (attach Forms W-2P to front)	21a 387	
b	...+ estimated tax payments (include amount allowed as credit from 1973 return)	b	
c	Amount paid with Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	c	
d	Other payments (from line 65)	d	
22	Total (add lines 21a, b, c, and d)	22	387

Pay amount on line 23 in full with this return. Write social security number on check or money order and make payable to Internal Revenue Service.

Please attach Check or Money Order here

Balance Due or Refund

23	If line 20 is larger than line 22, enter BALANCE DUE IRS ▶ (Check here ▶ ☐ if Form 2210, Form 2210F, or statement is attached. See instructions on page 7.)	23	
24	If line 22 is larger than line 20, enter amount OVERPAID ▶	24	354
25	Amount of line 24 to be REFUNDED TO YOU ▶	25	354
26	Amount of line 24 to be credited on 1975 estimated tax ▶ 26		

If all of overpayment (line 24) is to be refunded (line 25), make no entry on line 26.

Sign here

Under penalties of perjury, I declare that this return, including any accompanying schedules and statements, and to the best of my knowledge and belief is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he has any knowledge.

Schedules A & B Itemized Deductions AND Dividend and Interest Income are reproduced on the reverse side.

Your signature

Spouse's signature

Preparer's signature (other than taxpayer) Date

Preparer's (ZIP Code) Preparer's Emp. Ident. or Soc. Sec. No.

126

Schedules A&B—Itemized Deductions AND Dividend and Interest Income

(Form 1040)

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).

1974

Name(s) as shown on Form 1040: M B

Your social security number:

Schedule A—Itemized Deductions (Schedule B on back)

Medical and Dental Expenses (not compensated by insurance or otherwise) (See instructions on page 10.)

1 One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below)		
2 Medicine and drugs		
3 Enter 1% of line 15, Form 1040		
4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero)		
5 Enter balance of insurance premiums for medical care not entered on line 1		
6 Enter other medical and dental expenses:		
a Doctors, dentists, nurses, etc.		
b Hospitals		
c Other (Itemize—include hearing aids, dentures, eyeglasses, transportation, etc.) ▶		
7 Total (add lines 4, 5, 6a, b, and c)		
8 Enter 3% of line 15, Form 1040		
9 Subtract line 8 from line 7 (if less than zero, enter zero)		
10 Total (add lines 1 and 9). Enter here and on line 35 ▶		

Taxes (See instructions on page 10.)

11 State and local income		
12 Real estate	371	
13 State and local gasoline (see gas tax tables)	96	
14 General sales (see sales tax tables)	33	
15 Personal property		
16 Other (Itemize) ▶		
17 Total (add lines 11, 12, 13, 14, 15, and 16). Enter here and on line 36 ▶	500	

Interest Expense (See instructions on page 11.)

18 Home mortgage	117	
19 Other (Itemize) ▶ NAC	61	
Agriculture Credit Union	223	
American Security One Thrift Co	140	
Finance America Corp	105	
Associates	113	
Wards & Sears	41	
General Finance Svc	50	
20 Total (add lines 18 and 19). Enter here and on line 37 ▶	852	

Contributions (See instructions on page 11 for examples.)

21 a Cash contributions for which you have receipts, cancelled checks, etc.		
b Other cash contributions. List donees and amounts. ▶		
Church (Name)	153	
Various Charities	23	
22 Other than cash (see instructions on page 11 for required statement)		
23 Carryover from prior years		
24 Total contributions (add lines 21a, b, 22, and 23). Enter here and on line 38 ▶	213	

Casualty or Theft Loss(es) (See instructions on page 12.)
Note: *If you had more than one loss, omit lines 25 through 28 and see instructions on page 12 for guidance.*

25 Loss before insurance reimbursement		
26 Insurance reimbursement		
27 Subtract line 26 from line 25. Enter difference (if less than zero, enter zero)		
28 Enter $100 or amount on line 27, whichever is smaller		
29 Casualty or theft loss (subtract line 28 from line 27). Enter here and on line 39 ▶		

Miscellaneous Deductions (See instructions on page 12.)

30 Alimony paid		
31 Union dues		
32 Expenses for child and dependent care services (attach Form 2441)		
33 Other (Itemize) ▶		
Text Books For Taxes	15	
34 Total (add lines 30, 31, 32, and 33). Enter here and on line 40 ▶	15	

Summary of Itemized Deductions **A**

35 Total medical and dental—line 10		
36 Total taxes—line 17	500	
37 Total interest—line 20	852	
38 Total contributions—line 24	213	
39 Casualty or theft loss(es)—line 29		
40 Total miscellaneous—line 34	15	
41 Total deductions (add lines 35, 36, 37, 38, 39, and 40). Enter here and on Form 1040, line 45 ▶	1580	

General Critique of Task Force Reports

The evaluation check sheet used for the case studies may be found on the next page. Below the check sheet are the peer evaluations of each of the three case studies reported. Each table includes the frequencies for each of the levels: poor, fair, good, excellent after hearing and seeing the report made in class. The evaluators did not have the written reports to study before making their ratings. The comments which follow represent an attempt to point out some ways in which general concepts might have been more clearly represented in handling the specific cases. This critique serves both as feedback for the workshop participants and as a source of suggestions concerning improvements which might be made in future training of financial counselors. "If the student hasn't learned, the teacher hasn't taught".

Empathy and understanding of family

There was considerable evidence of the attempts to remain non-judgmental. Many of the lunchtime discussions revealed evidences of the desire on part of the participants to develop this trait. It was clear throughout the workshop that they were constantly recognizing different frames of reference between themselves and the case study families. This particular trait was more clearly evident in videotapes and in oral and non verbal cues during their reports and role playing sequences than in the written reports. The experience to the participants varied widely. Some of the less experienced members expressed their appreciation of the opportunity to work along with people who had worked for a number of years with families.

Analysis of family system

System Analysis was employed in several ways. It is important to distinguish between these.

(1) Task Forces described family in context of community by identifying the "system of interest" and depicting adjacent systems relevant to money management. The young family case study report employed a single format that proved effective for this purpose (see page 74).

(2) One Task Force gave particular attention to the kind of linkages (interaction) between family and adjacent systems and the degree of openness in the family system boundary. This model of The Single Parent Family (see page 92) incorporated a great deal of information about their conceptualization of the problem. Some clarification might be made in the way the terminology is used and in the representation of two kinds of variables as lying outside the family system. Revisions are suggested to improve the logic of the diagram: (see following page).

The outside circles could be identified as sytems with which the family interacts: friends, public school system, private school, employment, etc., recognizing, as the model does, that new ones become salient at some times and not at others. Financial security and family relationships (or marital relations) are really internal to the family. They could be identified within the family system. Using this format, the systems with which the family interacts might more accurately be called adjacent systems and the internal functions of the family might be viewed as separate, but interrelated subsystems.

HANDOUT

Reporting Individual or group _____ Date _____

EVALUATION CHECK SHEET

The Counselor's Approach to a Family Case Study

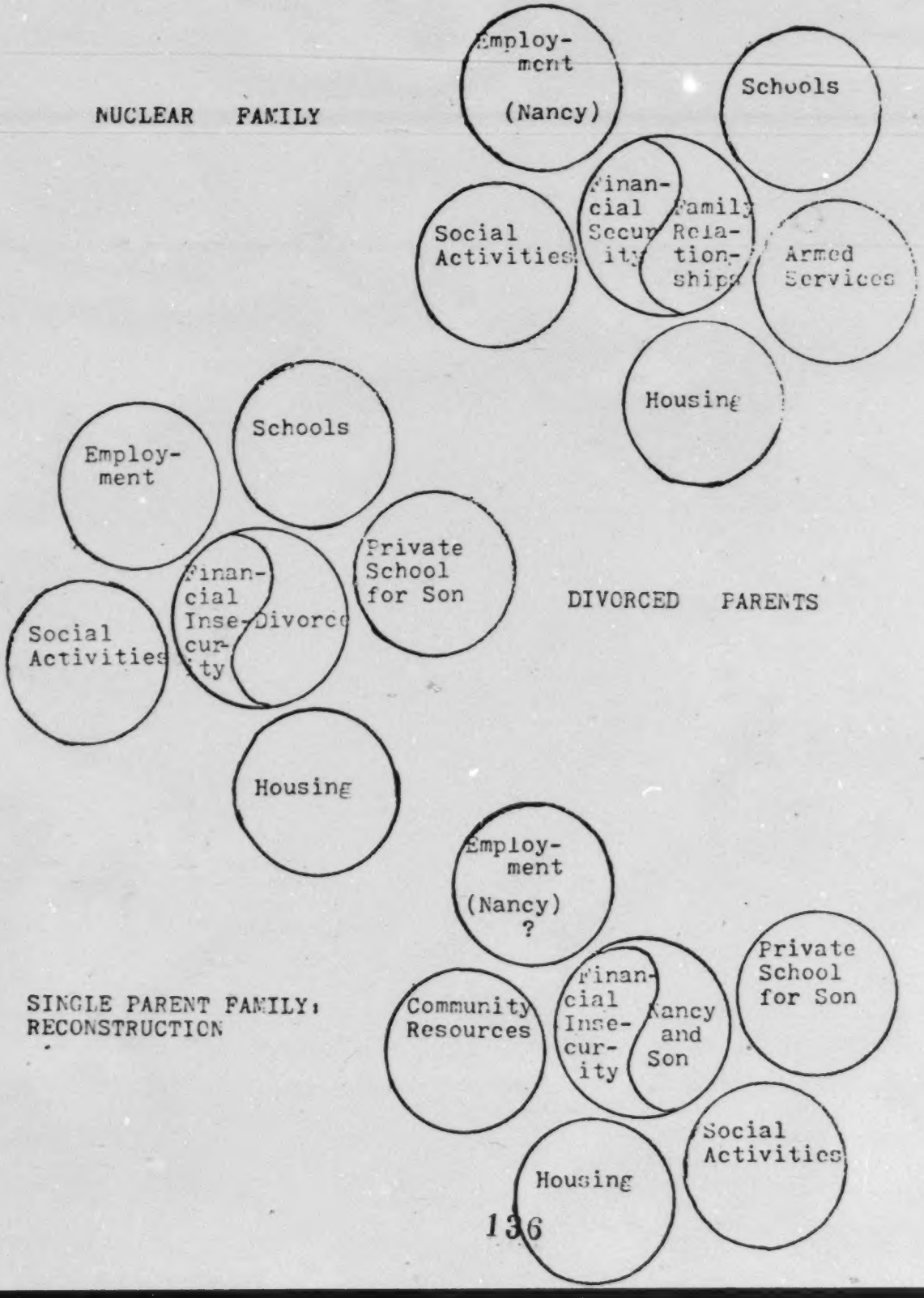
	Poor	Fair	Good	Excellent
1. Empathy and understanding of family	___	___	___	___
2. Analysis of family system	___	___	___	___
3. Analysis of managerial subsystem	___	___	___	___
4. Judgement in counseling approaches	___	___	___	___
5. Effectiveness of information research	___	___	___	___

Comments:

PEER GROUP RATINGS of the THREE CASE STUDY TASK FORCE REPORTS

	YOUNG FAMILY (N=8)				SINGLE PARENT (N=11)				EARLY RETIREE (N=10)			
	P	F	G	E	P	F	G	E	P	F	G	E
1.			7	1			2	9			5	5
2.			3	5			2	9			5	5
3.			5	3		1	4	6			5	5
4.		1	6	1			2	9			4	6
5.		2	4	2			2	9		1	3	6

129 From Two Parent to Single Parent Family
Changes in the Family System and its Interaction
with Adjacent Community Systems at Three Stages



The use of dotted lines to represent a boundary open to information and resources from outside the system, and of solid lines to represent a boundary closed to information and resources is an effective representation. In the verbal report it was pointed out that the system appears to be more closed to certain alternatives relating to employment and schooling than to use of community resources.

The orginial presentation of this model to the workshop group employed lines of different colors to represent different stages.

It is not quite clear whether the counselors can make assumptions about the type of boundaries to depict for the adjacent systems on the basis of their data base.

The reader is reminded that the person employing the systems approach makes some arbitrary decisions about his model, on the basis of the use which he intends to make of the analysis.

If, as in this counseling situation, the family is identified as the system of interest, then the supra-system might be the community. The family and its adjacent systems: public school, private school, employment opportunities and community agencies would all be part of the supra-system. Further investigation of the family might follow several alternative approaches. One approach would be to identify each person in the family as a sub-system; this is useful in looking at communication. Another approach would be to identify personal and managerial subsystems; this is useful for the purposes of examining money management and the interaction between money management and interpersonal relationships concerns of most financial counselors.

It might be noted that the counselor also has the option of identifying the individual, rather than the family, as the system of interest. This might have been a practical approach in Nancy's case because her son is very young; but if any attention is to be given to his separate welfare or money management education, it would be useful at some stage to look at both individuals.

None of the task forces worked on a family model that recognizes and deals with individual member perceptions, influence, or growth, though they did take this into consideration in verbal reports and in role-playing.

Another somewhat arbitrary decision would be the decision whether or not to look at social activities. Note that it has been noted with little or no clarification. Educational institutions include University, public school, adult education, provate school; There was some interaction with each. How many of these need to be defined in more detail in order to explore alternative solutions? Does it facilitate analysis to group them, or to separate them?

The task force chose to focus their efforts on the examination of two of the outer circles of their diagram, namely, employment and community resources. This might have been pointed out in the presentation of the model to help the viewer or reader see the relationship between the different parts of the report.

Analysis of managerial subsystem

Each of the groups assessed managerial subsystem by reference to the framework presented on the first day of the seminar, that developed throughout the Deacon and Firebaugh text. The only concept that was not clear was that of facilitation; the difficulty here was in failure to distinguish between resources, that which is used up or changed in the management process, and facilitation. "Assisting the progress or flow of actions by capitalizing on individual and/or environmental factors." Facilitation might also be considered as a catalyzing or motivating process while an action is being carried out.

More attention might have been given to the process by asking such questions as: Is there regular feedback so that the information kept in records is used? Are there evidences that the activities of different members of the family are coordinated?

Judgment in Counseling Approaches

There was in all three reports a recognition that these families had the capability of assembling available data and that they had the education and ability to carry through many of the basic calculations involved in pursuing alternative courses of action. The counselor role was portrayed as catalyst, resource person, motivator, active listener. None of the task forces pinpointed what they would do as advocate, but no doubt if they were faced with regular counseling and contact with community agencies they would feel the need for this.

On the whole the approaches had elements of education and of long range planning in them. The urgency of the Single parent family might be contrasted with the other two situations. Even in this case study the counselors approached it through making clearer the visible alternatives and trying to help to project the consequences of each, leaving the decision to the client.

None of the cases represented particular hesitancy in talking about money; indeed it is doubtful whether individuals who found this difficult would have been willing to come to a workshop as these family members did. There were some clues as to financial decisions which might be difficult for the families to make because there were expressed differences of preference between family members. This was not explored in depth at this time.

Effectiveness of Information Processing

The systems approach used in analysis of these families helped to reveal information which was available and that which might be useful, but which was lacking. Counselors showed cognizance of need for both objective data and subjective data. They had to make judgments about where to put their time and effort in order to accomplish the most toward their objectives of serving the families.

Comments were made in several instances concerning details that were not complete, and in a few instances they took the opportunity to verify information they had or to reconcile things that did not make sense to them.

They were able to seek information in a realistic way rather than just getting general impressions of what might be available to their clients. The Task Force which sought to help Nancy expand her sources of income did a particularly good job of this, but even here they recognized that there were details which were missing in their information about the case.

Possibly additional insight might have been gained through some consideration of the dimensions discussed by Dr. Harries, namely: internal/external control, intrinsic/extrinsic motivation and abstract/concrete information processing styles.

Implications for Later Training

I. The assignment for work using systems approach with case studies might be modified into three specific tasks for the student:
   a. Identify system of interest and adjacent systems

   b. Show internal functioning of system through application of a model that allows for representation of flow of resources and of information.

   c. Clarify change agent's point of entry into the on-going system, thus making it a model for change.

   It is possible that some of these could be combined, but most of the problems in carrying out the assignment as given in the workshop were in a failure to distinguish the purpose of each model being presented.

   Many of the members of the workshop felt very comfortable and natural working with systems diagrams, and would not only find system analysis helpful in coming to their own conceptualization of the dynamics of the case family, but would make it part of their method for communicating with families. Others would prefer to work verbally. It should be recalled that the more common tools for money management such as spending plans, net worth statements and cash flow charts are models of another sort.

II. It has been noted that the time allowed for role-playing and practice proved to be inadequate. More time should be scheduled for this. Videotaping was a very useful tool. Tape recording worked well also, and would be recommended for many situations when videotaping is impractical.

   No effort was made to code interview sessions employing some of the counseling and sensitivity training methodologies available. Mr. Waddell had mentioned the usefulness of sensitivity training for financial counselors.

III. The participants might have been given some assignments to engage other individuals or families in conversation about money, and to note areas of hesitancy or resistance. Taped interviews exhibiting these problems might be a useful teaching aid. Dr. Johnston had noted the need to help people feel comfortable talking about money.

Role Playing and Interviewing

One important experiential activity for the students was their participation in role playing and interviewing.

These sessions were videotaped or recorded for later viewing and critique.

It will be noted that this proved to be a very time consuming activity, primarily because of the use of equipment, and so there were some parts of it which were not completely carried through as scheduled.

The first three interviewing sessions were based on case study presentations made in class. Every class member was to have one session working on each case study to get "into" the uniqueness of each family.

They were to:

- clarify the setting (home, office, etc.)
- clarify who had taken initiative
- identify a problem or situation drawn from the case
- use information provided by family member during class presentation as accurately as possible, but to handle it in a way that would seem realistic for the role. For example: supply a bit of information readily, say something like, "I don't know, I'll have to ask my husband", "We haven't kept any record of that" or "I guess it's--" It was suggested that, if in the event, the interview was carried through with some information of doubtful accuracy that the group could verify and correct it before they did later assignments.
- project the role beyond the earlier presentation
- videotape the interviews for later viewing and critique.

Several different types of interviewing assignments were made in the workshop, each focusing on another competency.

1. After case study I the emphasis was on exhibiting an empathic relationship

2. After case study II the emphasis was on getting a clearer picture of overall management of money

3. After case study III the emphasis was on identifying information need and on effectively evoking facts and feelings relative to the problem at hand.

4. After the written Post-test the case study was used as the basis for role playing the inter-relationship between family conflict and money management. This exercise involved a counselor interviewing husband and wife together.

Critique was handled in some instances by having members of the group make their observations known, and somethimes by having staff members identify how concepts had, or had not been employed. Participants were encouraged to identify difficulties they had experienced and to note tentative ideas for self-improvement.

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PRESENTATION (demonstration interview)

Mary J. Stephenson and son Scott Stephenson

It has been revealed in a survey of 175 families that allowances make up about half the assets of children; gifts make a substancial contribution.

Personal finance experience is part of the program of several youth groups, including Boy Scouts and 4-H Clubs. These groups have recordbooks and training materials.

EXHIBIT of books

The Speaker has served as a local youth leader; she considers the program material and training procedures as a valuable aid for her to use as a parent as well.

She interviewed Scott, aged 14, using the examination for the Boy Scout Merit Badge of Personal Finance as a guide. He demonstrated his first-hand knowledge and understanding of family income, accumulation of funds for special purchases, vacation planning and financing, shopping principles.

Scott told of his own financial situation at present. He gets an allowance of $1.00 a week. In addition he works as a baby sitter for $1.00 an hour having taken the Red Cross course to prepare for this job. His current assets are $187 and 20 shares a stock, a gift from his Grandmother. A major goal is to have a motorcycle; his father and older brother have cycles.

1. Weinstein, Grace W. Making Allowances: A Parents' Guide. Money, 3:52-56, 58, 62, Nov. 1972.

Special Independent Study Project

The Workshop had been set up so that students could carry out from 1 to 3 credits of independent study to supplement the work during the 3 week workshop. This could be done during the interim period.

One student, a Cooperative Extension Service Home Economist, elected to develop a counseling rationale and procedures appropriate to the professional home economist supervising the Extension Expanded Food and Nutrition program with low income families. She assumed that the paraprofessional aide contacting low income families eligible for food stamps meets those families who are ready to go beyond the immediate concerns of food buying, or who must get at more comprehensive money management problems in order to assure adequate nutrition. The aide herself does not usually have the training and experience to equip her to deal with all aspects of money management.

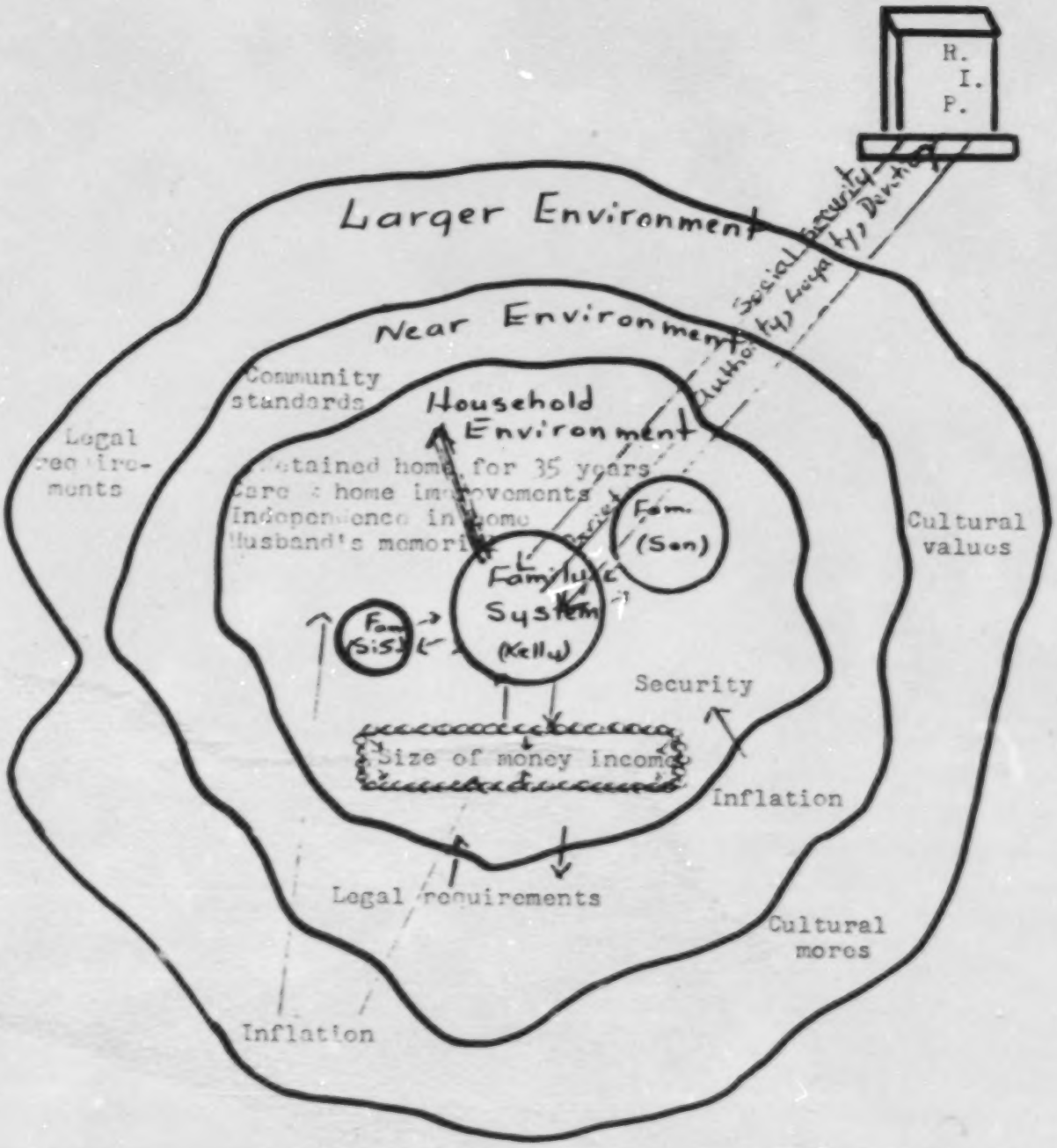
The student indentified one such family, a widow who had been receiving annuity benefits but who foresees the day within the next two years when her income will drop from $4855 allowing her a comfortable middle income life style in a small rural town to a little less than $2500 income at that time. The project included:

1. Making arrangements with the aide and with the widow for an intensive interview about the financial situation to develop a case study.
2. Collecting data (Taped interview and examination of records)
3. Reconstruction of living expense sheet for the past 12 months (See next page)
4. Income comparison and projections (1966-1978)
5. Identification of the forces initiating and controlling the client's management of money, and conceptualization of the money management system (See next two pages).
6. Development of a plan and some general strategies for proceding with the case
7. Making an oral and visual presentation to workshop group during the final week's session. She included enough background on her agency and on the specific program to help class members put her professional counseling role into a realistic context.

Mrs. K's LIVING EXPENSE SHEET for PAST 12 MONTHS

WEEKLY		MONTHLY		QUARTERLY		ANNUAL		EMERGENCY	
FOOD	$ 8-10.00	2 DOCTOR VISITS	$ 16.00	BLUE CROSS & BLUE SHIELD	$ 60.00	CAR INSURANCE	$ 82.00	NEW WATER PUMP	$185.00
LAUNDRAMAT	.70	MEDICINES	8.95			TAGS	20.00	INSTALL.	25.00
GAS (MK.-10 Days)	6.00	"	11.95	CLOTHES SEAMSTRESS	5.00	HOME OWNERS INS.	62.00	WELL DRIVEN	160.00
RECREATION	0.00	"	8.95	FABRIC, ETC.	4-10.00	PROPERTY TAXES	50.00	FURNANCE REPAIR	70.00
		ELECTRICITY	18-20.00			HEATING	251.95	PLUMBER BILL	72.00
		TELEPHONE (base)	7.80					CAR REPAIR	103.00
		WARDS ACCT.	10.00					CAR SERVICE	5.00
		CHURCH	1.00					TIRES	148.00
		ORGANIZATIONS	0.00						
WEEK	$ 16.70	MONTH	$ 84.65	QUARTER	$ 75.00	YEAR	$465.95	YEAR	$ 768.00
YEAR	$ 868.40	YEAR	$1,015.80	YEAR	$ 300.00				

INTERVIEWERS NOTE: During the first interview after Mrs. K was referred to me, it was revealed that there is a savings account and a small life insurance policy. Probing was not done at this point on amounts or any other relative information concerning either. I sensed a little hesitancy from facial expression and answers were quick and final.



Some Factors Initiating and Controlling Mrs. K's Management

see Cross, Crandall, & Knoll, 1973, pp.112-113.

Dialogue with Area Leaders and Financial Counselors

There are several levels of organizational involvement with financial counseling services for families. In addition, the clientele, the scope of concerns, and the general approach varies between agencies.

During the final week of the workshop an entire day was devoted to a dialogue with invitees representing programs in Maryland and adjoining Washington, D. C. The same group had met in January 1975 to discuss plans.

The broad purposes were:

> To acquaint the community leaders with the workshop format and the program being developed in the Department of Family and Community Development, so that they could participate in the clarification of the most appropriate role for the State University in leadership and training of professionals to work with families on money management.
>
> To have representatives from different types of programs clarify their unique approaches and identify general issues in financial counseling programs and practice. This exposure to a variety of setting in which financial counseling occurs was important to the workshop participants. The transcripts of a panel discussion and a discussion held during the mini-workshop are included in this book.

The program for the mini-workshop and a list of participants may be found in the Appendix.

Model Building

The development and communication of a model for money management counseling provided the means through which the student might integrate learnings.

During the first week, students were asked by Dr. Thomas Harries, at several stages to jot down their ideas and to revise them as they gained new insight through the systems approach. (see Objectives, page 15).

At the beginning of the final week there was a presentation by Dr. Charlotte Churaman.

Criteria for a conceptual model for change-agents were discussed:[1]

1. Does the model account for the stability and continuity in the events studied at the same time that it accounts for changes in them? How do processes of change develop, given the interlocking factors in the situation that make for stability?

2. Where does the model locate the "source" of change? What place among these sources do the deliberate and conscious efforts of the client-system and change-agent occupy?

3. What does the model assume about how goals and directions are determined? What or who sets the direction for movement of the processes of change?

4. Does the model provide the change agent with levers or handles for affecting the direction, tempo, and quality of these processes of change?

5. How does the model "place" the change-agent in the scheme of things? What is the shifting character of his relationship to the client-system, initially and at the termination of relationship, that affects his perceptions and actions? The questions of relationship of change-agent to others needs to be part and parcel of the model since the existential relationships of the change-agent engaged in processes of planned change become "part of the problem" to be investigated.

Other points made during the discussion of the model building assignment were:

A home management model is a model for deliberate change; the interventionist, whether counselor, teacher or family member, must decide at what point to modify existing systems of doing things or introduce basic changes in the system.

Home Economists are quite familiar with developmental models such as human personality development and family cycle models. There is considerable variation in the terminology used by members from different disciplinary backgrounds as to the use of words such as crisis, goals, etc. In systems science, the important thing is to be able to account for on-going processes that might be anticipated as part of the dynamics of the developing system, and to recognize low probability demands (called "events" by Firebaugh and Deacon).[2] Systems science allows one to view either as inputs into the family's management.

Each participant gave an oral presentation of a model for money management counseling on the final day of the workshop. It is to be recalled that the stage had been set throughout the workshop to work deductively from general systems and information processing concepts and work inductively from personal experience, reading and the shared experiences of the case study task forces.

One model will be presented, along with the evaluation sheet used for this project; following this, the unique features of some of the other models will be noted and a summary made.

The model illustrated on the next pages draws from the work of Williamson and the "Minnesota point of view".[3] Williamson refers to it as being "derived from a clinical methodology of a more scientific rather than a curative type of counseling. Essentially, we are beginning to see the two systems are designed to be appropriate and effective with different types of problems.....The second, or scientific, approach assigns to both counselor and counselee the role of a learner, a role of collecting, sifting, evaluating, and classifying relevant facts to arrive at a description (or an approximate description) which will provide both with "insight" or perception of the nature and circumstances of the conditon concerning which the client needs counseling".

The model is built around the logical activity through which the counselor and client interact. The model illustrates that even though they interact, each is recognized as a separate system. The counselor seeks to gain sensitivity to the information processing of the client as well as to his own role and information processing.

An inter-system model was developed by another student showing a series of diagrams illustrating the different persons actively involved in problem solving and how the closeness of the working relationship might change over time.

Yet another model recognized the possibilities of using the family system idea, clarifying relevant data concerning both the personal and managerial subsystems.[4] The Counselor in this instance represented as an intervention agent in the environment of the family, seeks data to complete such a framework and to get an overall picture of what the situation is. If such a model is used openly with the family it allows for their identification of weak points in functioning.

One model used The Steps of Decision Making[5] in a similar way to identify information for problem solving.

Other general ideas represented through the models included:

Focus on the integral parts of any intervention activity as identified by Argyris[6]
- Valid information
- Free choice
- Internal commitment

The importance of being yourself and of establishing an atmosphere of trust.

The need to clarify any structure or rules built into the counseling situation: time limitations, cost, kinds of problems which could not be handled, requirements about who should be present, responsibilities of the clients, etc.

The desirability of a non-judgmental stance

Being an active listener

Being a catalyst, clarifier, verifier, information source, advocate as appropriate to specific situations

It became apparent to class members that there are so many variables in family money management counseling that a contingency model has merit. The counselor might identify major factors which would dictate different approaches and modify the rationale and procedures to be used. For example:

<u>if</u> there is a crisis situation <u>then</u>.....
<u>but if</u> there is opportunity for management <u>then</u>.....

Other contingencies brought out in the discussions included:

locale: home or office
availability of more than one family member or only one
time frame permitted
cooperation within the family or conflict within family
level of information processing apparent
individual or small group counseling preferences

No attempt was made to develop models for the other contingencies.

Four members of the workshop used the model building assignment to examine their own on-the-job counseling responsibilities as members of Health Departments or of Cooperative Extension Service in Expanded Food and Nutrition Program, Housing Program or Youth Program. Members in these positions are frequently called in by other staff members who initially supply some basic descriptive information about the family. In making their reports to the class, these students told how they might modify job descriptions or change communication channels within their agencies to bring about a greater counseling effectiveness. It will be noted that individuals working in these particular programs might center their initial concern on housing or helping the family to have an adequate diet. The Youth worker developed a model for working with group counseling of young couples if they were not in a crisis situation, but for individual family counseling in crises.

At various times during the workshop members were made aware of similarities and differences between financial counseling and general family counseling. It will be noted that in development of their models they drew concepts from both types of literature. They were encouraged by Gaylin,[7] Stephenson,[8] and others to recognize limitations of their own expertise at dealing with emotional disturbances and deep interpersonal conflict. At the same time they had a deeper realization of the fact that family counselors readily admit that psychological approaches don't work in all cases, either. Pease[9] observed that it had been his experience that money management counseling may in some instances provide an experience of success that facilitates regular counseling.

Millie Maguire
NAME (see model that follows)

July 11, 1975
DATE

EVALUATION CHECK SHEET

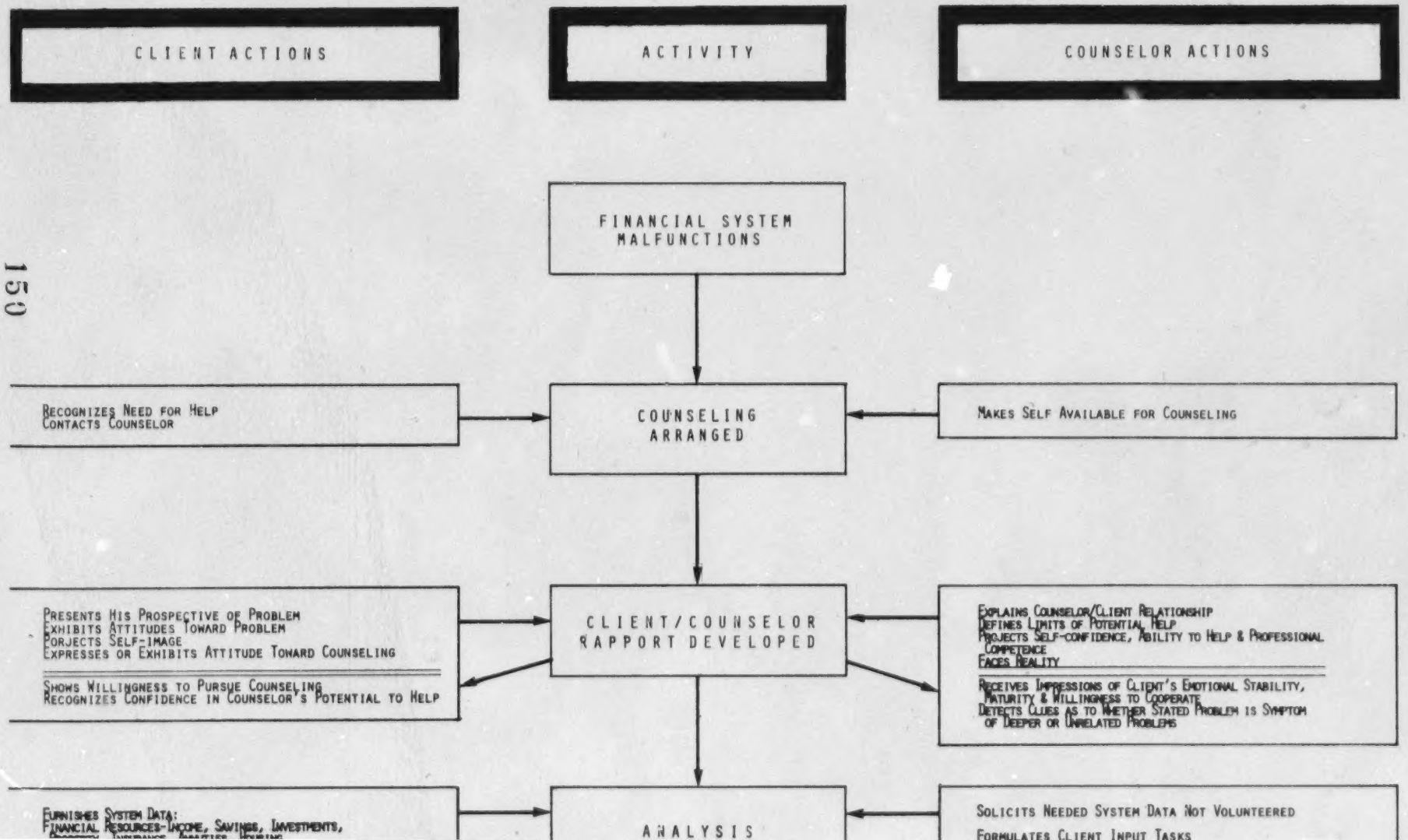
Model for Financial Counseling

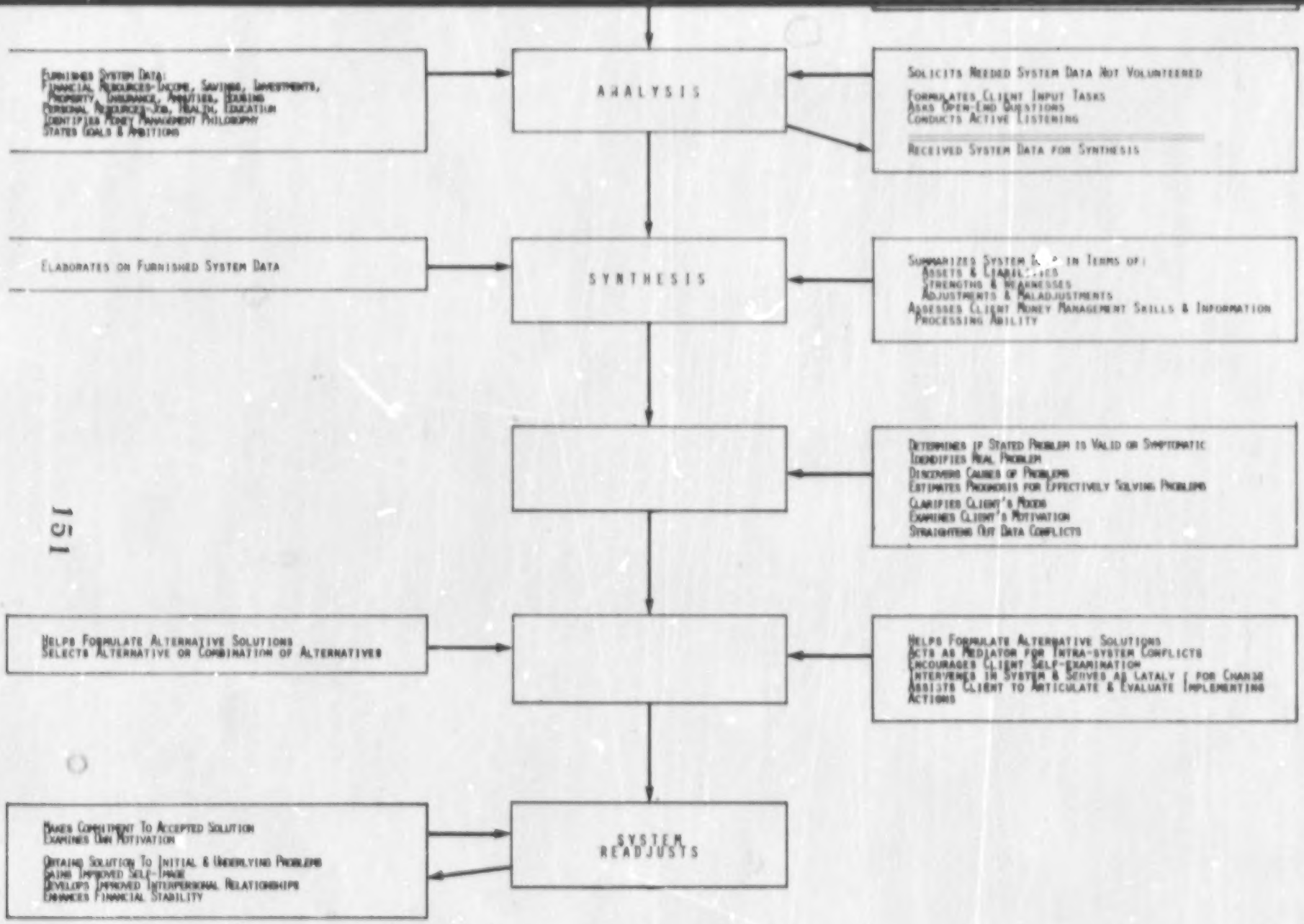
	POOR	FAIR	GOOD	EXCELLENT
1. Accounts for stability and continuity of family systems	___	___	X	___
2. Consider goals and directions of family systems	___	___	X	___
3. Locates source of change	___	___	___	X
4. Identified "levers" the change agent will employ to facilitate change	___	___	___	X
5. Clarifies place of change agent in relation to family systems	___	___	___	X
6. Incorporates systems and information-processing concepts effectively	___	___	___	X
7. Makes clear whether the model is general or designed for certain contengencies	___	___	X	___

Comments by Evaluator: The model might assume an ongoing counseling process to deal with basic underlying money management. If short-term counseling were to be done some of the earlier stages would be carried out in setting up the first session. It is important to note that steps might often be combined, and that analysis, synthesis and diagnosis are brought to bear on new facets of the case as they emerge.

MODEL FOR FINANCIAL COUNSELING

Millie J. Maguire


CLIENT ACTIONS
ACTIVITY
COUNSELOR ACTIONS
FINANCIAL SYSTEM MALFUNCTIONS
RECOGNIZES NEED FOR HELP
CONTACTS COUNSELOR
COUNSELING ARRANGED
MAKES SELF AVAILABLE FOR COUNSELING
PRESENTS HIS PROSPECTIVE OF PROBLEM
EXHIBITS ATTITUDES TOWARD PROBLEM
PORJECTS SELF-IMAGE
EXPRESSES OR EXHIBITS ATTITUDE TOWARD COUNSELING
SHOWS WILLINGNESS TO PURSUE COUNSELING
RECOGNIZES CONFIDENCE IN COUNSELOR'S POTENTIAL TO HELP
CLIENT/COUNSELOR RAPPORT DEVELOPED
EXPLAINS COUNSELOR/CLIENT RELATIONSHIP
DEFINES LIMITS OF POTENTIAL HELP
PROJECTS SELF-CONFIDENCE, ABILITY TO HELP & PROFESSIONAL COMPETENCE
FACES REALITY
RECEIVES IMPRESSIONS OF CLIENT'S EMOTIONAL STABILITY, MATURITY & WILLINGNESS TO COOPERATE
DETECTS CLUES AS TO WHETHER STATED PROBLEM IS SYMPTOM OF DEEPER OR UNRELATED PROBLEMS
FURNISHES SYSTEM DATA:
FINANCIAL RESOURCES-INCOME, SAVINGS, INVESTMENTS,
ANALYSIS
SOLICITS NEEDED SYSTEM DATA NOT VOLUNTEERED
FORMULATES CLIENT INPUT TASKS


Furnishes System Data:
Financial Resources-Income, Savings, Investments, Property, Insurance, Annuities, Estate
Personal Resources-Job, Health, Education
Identifies Money Management Philosophy
States Goals & Ambitions
ANALYSIS
Solicits Needed System Data Not Volunteered
Formulates Client Input Tasks
Asks Open-End Questions
Conducts Active Listening
Received System Data for Synthesis
Elaborates on Furnished System Data
SYNTHESIS
Summarizes System Data in Terms of:
Assets & Liabilities
Strengths & Weaknesses
Adjustments & Maladjustments
Assesses Client Money Management Skills & Information Processing Ability
Determines If Stated Problem is Valid or Symptomatic
Identifies Real Problem
Discovers Causes of Problems
Estimates Prognosis for Effectively Solving Problems
Clarifies Client's Roles
Examines Client's Motivation
Straightens Out Data Conflicts
Helps Formulate Alternative Solutions
Selects Alternative or Combination of Alternatives
Helps Formulate Alternative Solutions
Acts as Mediator for Intra-System Conflicts
Encourages Client Self-Examination
Intervenes in System & Serves as Lataly[illegible] for Change
Assists Client to Articulate & Evaluate Implementing Actions
Makes Commitment To Accepted Solution
Examines Own Motivation
Obtains Solution To Initial & Underlying Problems
Gains Improved Self-Image
Develops Improved Interpersonal Relationships
Enhances Financial Stability
SYSTEM READJUSTS

Footnotes:

1. Chin, Robert. The Utility of Systems Models and Developmental Models for Practitioners, in Bennis, Warren et. al. The Planning of Change. New York, Holt, Rinehart and Winston, (1962) pp. 201-217.

2. Deacon, Ruth and Francille Firebaugh. Home Management: Context and Concepts, Boston, Houghton-Mifflin, Co., 1975.

3. see "Williamson and the Minnesota Point of View" pp. 6-29 in Patterson, C.H., Theories of Counseling and Psychotherapy, Harper and Row Publishers, New York, 1973.

4. Deacon and Firebaugh, p. 50, 53.

5. Ibid. pp. 106, 107.

6. Argyris, Chris. Intervention Theory and Method: A Behavior Science View. Reading, Mass. Addison-Wesley Publishing Co., 1970.

7. Gaylin, Ned L., see page

8. Stephenson, Mary., see page

9. Pease, Harold., see page

Pre-Post Tests

> It is the ability to generate categories, scales, or dimensions for coding the flow of information and to use selected oranizations of these different kinds of information in a flexible manner in decision making that is the psychological foundation of a person's adaptability to change. It is this information-processing capacity - so neglected in content-centered education today--which we propose be the primary focus of education in the future.
> Schroeder et al, 1973 p. 36.

A case study showing both economic and family relationship problems was used early during the first day and again near the end of the workshop to assess: information processing style and instrumental/expressive focus.

Dr. Charlotte Churaman hai used the test earlier with two other small samples: students in FHDD 448 Home Management for Beginning Families and in FHDD 602 Integrative Aspects of Home Economics. It had proved to be an interesting activity when used for later class discussion. No validity or reliability tests have been made. The procedure used is adapted from Schroder and others.

A case study was supplied with instructions to:

1. Read the case study of a family who is seeking help.

2. From the point of view of a helping person outside their family:

   Write down, in question form, what you would want to know in order to help them. What questions would all details not supplied in the case study? Note that questions might be ones which could be answered by observations of non-verbal clues as well as those requiring words.

   Write down how you would approach helping them find a solution to their problems

3. Take 15 minutes to jot down the approach and the questions.

After the second use of the instrument, members were helped to interpret and score their responses as follows:

1. List topical areas reflected in the questions on the blackboard.
2. Examine the topical areas and cluster those that represent similar areas of concern. The revised list included: process, feelings, employment, education, resources, financial assets, whole systems.
3. Sort out their own questions by these categories.
   Identify breadth (number of categories,
   Identify depth (number of questions in a category)
4. Tally the findings to see the group range and norms.
5. Examine the proposed approach and decide which focus is represented:
   primary emphasis on money matters
   primary emphasis on the way money matters and interpersonal considerations interrelate.
   primary emphasis on interpersonal considerations

The same case study was then used as a basis for role playing with students taking roles of husband, wife, counselor. This is described under role-playing.

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1. See The Elkin Family Case. From a Marriage Counselor's Files by Dr. Lipwood in Lady's Circle 3,62,63 (March, 1975)

2. Schroder, Harold, Marvin Karlins, and Jacqueline Q. Phares. Education for Freedom. New York, John Wiley and Sons, Inc. 1973

3. Broderick, Carlfred, Interrelationships of Family Functions in The Family: Focus on Management (Proceedings of a National Workshop) Washington, D.C., American Home Economics Association, 1969. Pages 1-4.

Summary

The training programs for family money management counseling had several facets:

1. The conceptual tools drawn from system analysis and information processing

2. The experience of hearing and talking with representatives from three case families concerning many aspects of their money management

3. The development of models for money management counseling by integrating the theoretical and the experiential learnings.

The rationale for money management counseling was drawn from the examination of the interrelationship between managerial and personal sub-systems of the family and the indentification of where the system appeared to have broken down. Through the use of family system analysis the "change agent" counselor developed appropriate methodology for motivating and implementing more functional decision and behavior patterns. Students were helped to view situations from the point of reference of the client, and to carry out interviews in such a way as to help clients view variable alternatives and to think through the consequences.

The interview sessions and informal discussions allowed for critique and self understanding.

The theoretical aspects of financial counseling have had little attention when compared to that given to other counseling areas: marital, vocational, interpersonal. There is a general agreement however, among those who do it that it builds upon interpersonal skills, that it must have an educative or informational aspect, and that in emergency situations it may be fairly directive and require immediate action before any educational aspects can be attempted.

The eventual goal is to help families develop competence in the on-going management of their resources.

Money Management in Counseling Situations

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A P P E N D I X

WORKSHOP: MONEY MANAGEMENT IN COUNSELING SITUATIONS

Syllabus for Workshop

DATE	CONTENT	COMPETENCIES EMPHASIZED	STUDENT EXPERIENCES
June 2	The Family as a System	2	Pre-test
	Purposes of Money Management Systems	3,5,8	Q-sort Economic Value System
	Approaches to helping with Money Management Charlotte V. Churman		
June 3	General Systems and Human Information Processing Thomas E. Harries	1,6,7	Notation of concepts relevant to financial counseling
June 4	Continuation of Systems and Information Processing Thomas E. Harries	1, 5	Revision of previously noted concepts relevant to financial counseling
June 5	The Empathic Relationship Nei L. Gaylin	1, 5	Defining empathy Discussion
	Counseling Approaches Mary J. Stephenson	3, 4	
	Introduction of young family case Martha L. Garrison		Viewing slides of Pam's family at home
	Presentation by Pam	1,3.5	Interviewing
June 5 (continued)	Task Force formation for problem solving for each case family	1,4	role playing a problem or situation with empathy Videotaped for later critique

DATE	CONTENT	COMPETENCIES EMPHASIZED	STUDENT EXPERIENCES
June 6	Class review and critique of role-playing videotapes	1	Critique
	Introduction of early retiree case family Charlotte V. Churaman	1,3,5	Viewing of videotape of Mr. and Mrs. B at home
	Presentation of Mr. and Mrs. B	1,3,5	Interviewing
	Task Force Activity	6	Information Processing Problem Solving Decision Making
June 9	Introduction to single parent family Mary J. Stepenson		Viewing snapshots of Nancy's home
	Preentacion by Nancy	1,3,5	Interviewing
	Legal Aspects of Family Money Management Stewart Oneglia	9	Interviewing in regard to cases already presented to the workshop participants
	Task Force Activity	6	continuation of group work begun June 6.
June 10	Task Force Activity	1,3,5	Videotaping of counselor-client relationships for later critique
	Some Problem Areas with Credit: Over-Extension; Availability to Women Martha L. Garrison	3	

DATE	CONTENT	COMPETENCIES EMPHASIZED	STUDENT EXPERIENCES
	A Bank's Function in Improving Money Management in Families Elayne E. Morigi	3,9	Interviewing Visitor
June 11	Family Security/Insurance to Meet Family Goals O. McRae Covington	1,5,7	One student, role-playing, represents each case family: Pam, Mr. and Mrs. B., and Nancy in interviewing the insurance counselor
	Task Force Activity	1,3,4,5,6	Continuation of information search, problem-solving, and Decision Making
June 12	Effects of Inflation of Family Money Management Martha L. Garrison	3	Development of Report and preparation of visuals
	Intergenerational Aspects of Money Management Roger Rubin	3,5	
	Using The Boy Scout Badge in Money Management as a Teaching Aid to Children's Understandings Demonstration by Mary J. Stephenson and her son Scott	7	
June 13	Task Force Reports	1,3,4,5,6,7,8,9, Critique	
June 16 to July 3 -- Field Experience in Money Management - Arranged on individual basis (Optional)			
July 7	Building and Testing Models for Financial Counseling Charlotte V. Churaman	8	
	Strategies in Using Community Resources when Suddenly in Reduced Circumstances Elizabeth Farrell	9	Interviewing

DATE	CONTENT	COMPETENCIES EMPHASIZED	STUDENT EXPERIENCES
July 8	Economic Transactions: Grants and Exchanges	3,5	
	Charlotte V. Churaman		
	Power Plays with Money		
	Martha L. Garrison		
	Report on Case of Widow, now on Expanded Food and Nutrition Program, in need of Financial Counseling	2,6,7	Reaction; discussion of implications of case
	Bettie Collins		
July 9	Integration of General Systems, Interventionist, and Management Concepts	8	Post-test Role Playing of interview: husband and wife in conflict and counselor.
	Charlotte V. Churaman		
	Individual research on models for counseling	8	Individual work
July 10	Mini-workshop -- An Exploration of Issues in Financial Counseling Adult Education Center, University of Maryland-College Park 9;30 A.M. to 3:00 P.M.	2,8,9	
	Participation of Community Leaders in Counseling (Full program to be found on page 175.		
July 11	Student Presentation of Family Counseling Models	1-9	Presentations
	Critique		Critique
	Workshop evaluation		

HANDOUT

Money Management in Counseling Situations

ACTIVITIES	DUE DATES
Participate in workshop practice and critique to get experience in: cultivating competencies needed in counseling situations, providing responsive feedback for other workshop participants, and receiving responsive feedback and being able to benefit from it.	During the workshop as scheduled
Read the references suggested as preparation for daily lectures and group work, or select suitable references.	
Keep an annotated bibliography of your reading on index cards.	End of each week submit cards
Work in a small group to make a study of a case study family to be presented as part of the workshop and to consider implications for working with the family. (see reverse side for details)	June 10 - Outline your group's approach and the things you will do together and individually. Description of Family's money management in system terms
I. Young family	
II. Early retirement family	
III. Single-parent family	
	June 13 - Group Presentation
Develop your Model for financial Counseling	Last day of workshop Present and submit report

GROUP PROJECT GUIDE:

An oral presentation will be made by the case study family
Film slides and/or video tapes of their home setting will be shown.

Members will:

a. Participate in interviewing

b. Follow-up the class exercises relating to your case study by seeking to verify or clarify any information that is incomplete or of doubtful validity, so that you can work with "real" data as far as possible.

c. Describe their money management in systems terms

d. Identify some external system transaction that is relevant for this family or for a helping person working with them and arrange a phone interview to get information that would be useful for good money management (Schedule it so other class members may listen)

e. Identify the nature of the case family's provision for security (June 11)

f. Examine the effects of inflation on this family

g. Work with the videotapes, film slides, and other materials provided, and with the results of your small group investigations and work sessions to prepare a presentation for the workshop group on June 13.

h. Consult sources such as census data, textbooks and other references to identify the major factors influencing families of the general type you are considering. This helps to provide context and to make some assumptions about uniquenesses and similarities with other families.

WORKSHEET (Student Reading Assignments)

Money Management In Counseling Situations
(see bibliography for complete details)

Readings to supplement daily lectures and activities

June 2-6

Deacon and Firebaugh - Home Management: Context and Concepts
Chapters 1, 3, 5, 10

June 3-4 and during workshop

Selections from Kuhn, Alfred - The Logic of Social Systems, Pages 1-231

June 5

Patterson, C. H. - Theories of Counseling and Psychotherapy,
Chapters 2, 3, 16

Other references such as Keith-Lucas, Rogers, Delaney, North-Rice
(Chapter 10 in Wexler and North-Rice book)

June 10

Mumey, Glen A. - Personal Economic Planning
Chapter 3 Compound Interest and the Effect of Time on Plans

Bailard, Thomas E., David L. Biehl, and Ronald W. Keiser - Personal Money Management
Chapters 10 and 11 - Credit
Chapter 8 - Budgeting

June 11

Bailard, Thomas E., David L. Biehl, and Ronald W. Keiser - Personal Money Management
Chapters 3, 4, 6, 7

June 12

Bengson, Verne L. and K. Dean Black - "Intergenerational Relations and Continuities in Socialization"
in
Baltes, Paul B. and K. Warner Schair - Life Span Developmental Psychology
Chapter 9

Mork, Lucille F. and Frances M. Magrabi - "What Price Increases Mean for Families", Family Economics Review, Winter 1974

Presented at Workshop: Money Management in Counseling Situations, June 2-13 and July 7-11, 1975, College of Human Ecology, University of Maryland, College Park, Maryland

July 7

Chin, Robert - The Utility of Systems Models and Developmental Models for Practitioners in Bennis et al. The Planning of Change.

Argyris, Chris - Intervention Theory and Method: A Behavioral Science View, Chapters 1 and 2.

Begin to identify concepts of importance to you in developing your model and to seek clarification from appropriate sources.

July 8

Boulding, Kenneth - The Economy of Love and Fear (mimeo summary)

Jackson, "Family Rules: Marital Quid Pro Quo—" Archives of General Psychology, Pages 589-594, June 1965.

(Also check concepts: Inter-system; Intra-system; Exchange; Transaction; Grant; Transfer Payments in Kuhn and in Firebaugh and Deacon texts).

Sailer, Wilma and Crawley, Wilma. Self Image: How do the poor see themselves: Journal of Home Economics 67: Pages 4-8 (May 1975)

BEFORE July 10

Western Regional College Teachers of Home Management and Family Economics Selected Readings:

The Family and The Economy: A Paradox - Pages 6-11

Makela, Carole, Predictive Factors in Credit Counseling Client Success. Pages 66-70

Buckner, William E., Family Counseling in Financial Crisis and Discussion. Pages 88-108

Buckley, Walter., "Society as a Complex Adaptive System" Chapter 59. Modern Systems Research for the Behavioral Scientist. (Scan for a review of systems concepts related to programs)

PREPARATION

I. Data Concerning Case Study Family

Family members
age, sex, school, job, health or other relevant factors

House
owned, rented, monthly payments (how long payments run)
utilities (amount consumed, and cost)
repair and maintenance considerations

Transportation
cars, condition, payments (how long payments run)
distance to work, shopping, other regular activities
vacations

Expenditures for other areas(such as food, clothes, etc.)
give a figure and indicate how it was established;
from the information available estimate a range going from a fixed minimum to an estimated allocation considered "adequate"

Assets
amount in bank or easily available
just mention other possible assets

Income
types of employment, how scheduled
take home pay, other deductions made
fringe benefits
availability of credit in order to spend from future income

Security and Protection
insurance
other

Aspirations and planned expenditures
type, when needed, amount

Description of system used for:
giving money to children or others
meeting the most recent unexpected expense over $100.
paying regular bills
assembling income tax information
deciding whether or not to take advantage of a sale or special offer (such as rebate on buying a new car)
deciding what to do with a windfall (refund on taxes, gift, etc.)

Identify specific events or conditions that were outside your control, but that influenced money management during the last year.

PREPARATION

II. Pictures and Papers* for Money Management Case Study

a. Assets - Standard of Living - Security

house (size and type of yard, condition)
living room (sofa)
evening meal
transportation

Things to work with in some area of productivity

(Optional) Recreational equipment (large)
Financial (loans, bank account, bonds, insurance, etc.) PAPERS

b. Family - Household that form an economic unit
members doing some activity related to money management

(Optional) contribution/donation to family members outside household
(Optional) major medical (hospital - doctors office)
Some major gift made to son-daughter-parent living elsewhere

c. Handling of Money

Bills (where? who opens?)
Bill paying (who? where kept? where written?)
Records (who? where?)
Application forms, eligibility, notices from companies, government and financial institutions) PAPERS
Income tax calculators (who? where done? where stored?) PAPERS
Children (evidence of allowance, etc.)
Any helpers consulted
Last Major purchase - what? who? PAPERS
Transactions in progress (information gathering, complaint handling) PAPERS

d. Problem or management focus (something they could seek help with first
Situation requiring money management (home improvement, etc.)
Accumulated bills to be met
Major goal, a new demand

*Papers - Xerox copies of actual bills, contracts, tax forms, relevant to important aspects of money management

III. Check These Things in Arrangements

Confidentiality? (use of name in any recorded part)

Copies of papers or reconstructed details (availability permission for use)

Dates for photography (who will need to be there?)

Would transportation be needed?

Availability for follow up calls week of June 9-13
(times of day that might be best to try to phone)

Willingness to provide date:

phone _____ pictures_____

written _____ copies of records_____

visitors_____ clippings_____

video tape_____ other_____

(family music may add interesting background for videotapes)

Note distinctive features of home or characteristic of family to be used in introducing and clarifying case.

Summary

EVALUATION CHECK SHEET FOR WORKSHOP

MONEY MANAGEMENT IN COUNSELING SITUATIONS

Please check the most appropriate column under each of the two considerations:

	HOW IT WAS HANDLED			USEFULNESS		
	VERY GOOD	OK	POOR	VERY USEFUL	FAIRLY USEFUL	NOT USEFUL
1. Advance publicity	3	6	1	3	3	2
2. Length of workshop	7	3		3	4	
3. Scheduling	1	7	3	2	5	1
4. Clarity of objectives	4	6		5	3	
5. Assignments	3	5		4	3	
6. Physical arrangements	6	3		5	2	1
7. Size of group	5	5		5	3	
8. Resource readings	6	2		6	2	
9. Case study families	7	2		8	1	
10. Management as system	8	1		8	1	
11. General Systems approach	9	1		8	2	
12. Information Processing	9	1		9	1	
13. Empathy	6	2	2	7	3	
14. Background from general counseling	3	7		2	5	
15. Acquaintance with financial counseling	6	4		8	2	
16. Legal aspects	9	1		7	3	
17. Experience in interviewing	2	6		5	3	
18. Use of videotaping	1	7	2	4	5	1
19. Credit problems	6	4		7	3	
20. Insurance	9	1		7	3	
21. Inflation	3	6	1	6	3	1
22. Intergenerational aspects	4	5		7	2	
23. Informal discussions	8	1		9	1	
24. Opportunity for developing own interest	8	2		8	2	
25. Community Resources	9	1		8	1	
26. Case study presented by home economist	7	2		7	3	
27. Interagency meeting	8	4		8	1	
28. Approach to developing a model for financial counseling	4	6		7	2	
29. Childrens Money Management	5	4		1	7	
30. Grants and Exchange	4	5		3	6	

HANDOUT: Program

UNIVERSITY OF MARYLAND
College of Human Ecology
Department of Family and Community Development

Thursday, July 10, 1975

Adult Education Center

Money Management in Counseling Situations

Mini-Workshop II: An Exploration of Issues

9:30 Registration and Coffee
Room C, Adult Education Center

9:45 Glimpses from workshop: Money Management in Counseling Situations
Chairman: Dr. Charlotte V. Churaman, Assistant Professor, FMCD

A Systems Approach to Family Problems
Dr. Thomas Harries, Human Communications, Inc.

11:00 Help With Money Management: Who's Doing It & How
Chairman: Mary Stephenson, Graduate Assistant, FMCD

11:00 Panalists:

Mr. Fred Waddell - Consumer Advisor, AARP
Rev. Harold Pease - Pastoral Counseling
Mrs. Marguerite Tollefson - Montgomery County Cooperative Extension Service
Mr. Robert Gibson - National Foundation Consumer Credit
Ms. Virginia Miller - Family Services
Ms. Barbara Tompkin - Montgomery County Social Services

12:30 Lunch, Room 2110

1:30 Implications for Program Development
Chairman: Ms. Martha L. Garrison, Assistant Professor, FMCD

How Can Educators Help People with Money Management
Dr. Don Johnston, Assistant Director, Institute of Life Insurance

Group Discussion

The Luncheon and many of the Resources for the project on Creative Systems in Money Management, being developed in FMCD, are made possible through a grant from the Institute of Life Insurance.

REGISTERED PARTICIPANTS
Mini-Workshop: Money Management in Counseling Situations
Adult Education Center, University of Maryland
July 10, 1975

Fareeda Afzal	Family and Community Development Graduate Student, Pakistan
Mardelle Amstutz	Md. Cooperative Extension Specialist
Debra Barber	Cooperative Extension, Harford County
Elizabeth Brabble, Ed.D.	Acting Dean, College of Human Ecology, U. of Md.
Nan Booth	Cooperative Extension in Baltimore, Md.
Charlotte Churaman, Ed.D.	Assistant Professor, Family and Community Development, Co-Director of Workshop
Betty Collins	Cooperative Extension, Wicomico County
Diane Councill	Cooperative Extension, Queen Anne's County
Jane Crouse	Cooperative Extension, Kent Co. Md.
Tom Forbes	Social Services, Montgomery Co. Md.
Marge Freeman	Cooperative Extension, Assistant State Leader
Martha Garrison	Assistant Professor, Family and Community Development, Co-Director of Workshop
Laurene Gibson	Consumer Credit Counseling, Laurel
Robert Gibson	President, National Foundation of Consumer Credit
Kay Hammer	Home Economics Teacher and Family and Community Development Graduate Student
Thomas Harries, Ph.D.	Human Communications, Inc.
Cyna Heffter	Jewish Community Services, Montgomery Co.
Margot Helferd	Prince Georges Consumer/Maternal, Child Health Consultant
Phyas Herndon	American Security and Trust Company
Barbara Hoganson	Foreign Service Institute
Loretta Hurley	Md. Cooperative Extension, Prince George's
Donald Johnston, Ed.D.	Assistant Director, Education, ILI
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Ellen MacMahon	Home Economics Teacher
Ann Marshall	Family Finance Teacher, University College
Hope Martin	Md. Cooperative Extension, St. Mary's
Margaret Mearns	Md. Cooperative Extension Supervisor
Virginia Miller	Prince George's County Family Services
Lydia Mussenden	Md. Cooperative Extension Supervisor
Ruth Orvedal	Assistant Professor, Family and Community Development, U. of Md.
Rev. Harold Pease	Pastoral Counseling, Greater Washington Area
Maggie Petterson	Graduate Assistant, Family and Community Development
Carol Preston	Cooperative Extension, Carroll County, Md.
Howard Rohar	Financial Counselor, Unibank
Catherine Rhodes	Cooperative Extension, Montgomery County
Mary Stephenson	Family and Community Development Graduate Assistant for the Workshop
Barbara Tompkin	Montgomery County Social Services
Marguerite Tollefson	Cooperative Extension, Montgomery County
Fred Waddell	Consumer Advisor, AARP
Pat White	Cooperative Extension, Prince George's Co.
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MONEY MANAGEMENT IN COUNSELING SITUATIONS

List of Speakers

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Harries, Thomas E., PhD., President, Human Communications, Inc., Columbia, Maryland

Johnston, Donald P., Ed.D., Assistant Director, Institute of Life Insurance, New York

Miller, Virginia, Prince Georges' County Family Services

Morigi, Elayne E., Manager of Adelphi Branch, Peoples National Bank, Adelphi, Maryland

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Tompkin, Barbara, Montgomery County Social Services

Toffefson, Marguerite, Montgomery County Cooperative Extension Service

"Mr. and Mrs. B.", representatives of the early retirement family case

"Nancy", representative of the single parent family case

"Pam", representative of the young family case